Daily Report

Latin America

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FBIS-LAT-94-174 *8 September 1994*

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Security Measures, Topics for Rio Group Meeting Reported

PY0709131494 Brasilia Voz do Brasil Network in Portuguese 2200 GMT 6 Sep 94

[Report from Rio de Janeiro by Elizabeth Saenz]

[Text] The Rio de Janeiro government has organized a security scheme to receive the presidents of 14 Latin American countries who will participate in the Eighth Meeting of the Group of Rio.

The Eighth Rio Group Presidential Summit was opened at the Gloria Hotel with a meeting of Latin American diplomats. During the meeting, the diplomats discussed the guidelines for the foreign ministers meeting, which will be held on 8 September. The conclusions of the two meetings held today will serve as a basis for the final Group of Rio document, which will be presented at the Americas Summit to be held in Miami, the United States, in December.

The following are the main topics to be discussed through Saturday, 10 September, when the meeting will end: the U.S. economic embargo on Cuba; the Haitian crisis; and, in particular, the possibilities of cooperation among Latin American countries in the fields of science and technology.

According to diplomats who met at Gloria Hotel today, however, a negotiated solution to the economic embargo on Cuba will hardly be reached within the framework of the Rio Group; to avoid embarassment among the member countries, the heads of state will prefer not to emphasize this topic because Argentine President Carlos Menem declared, during the UN Security Council meeting, that he is in favor of the embargo against Cuba.

On 8 September, Rio de Janeiro will be transformed into the capital of Latin America with the arrival of the heads of state of the 14 Rio Group member countries.

[Madrid EFE in Spanish at 0023 GMT on 7 September reports the following with regard to the Rio Group meeting: "Venezuelan President Rafael Caldera arrived in Brasilia on 6 September on a two-day visit," further noting that on "8 September he will travel to Rio de Janeiro to attend the Rio Group meeting, which will be held on 9 and 10 September."]

Brazil's Amorim To Propose 'Dialogue' With Cuba

PY0709233994 Madrid EFE in Spanish 1755 GMT 7 Sep 94

[Text] Brasilia, 7 Sep (EFE)—Brazilian Foreign Minister Celso Amorim today stated that, at the Eighth Rio Group summit, Brazil will support dialogue with Cuba with a view to favoring the implementation of reforms in Cuba and its incorporation into the inter-American system.

Amorim told EFE that Brazil intends to promote dialogue with Cuba during the working sessions of the Rio Group summit, the main Latin American political forum, which will convene on 9-10 September at a Rio de Janeiro hotel.

Amorim, who will preside over a meeting of Rio Group foreign ministers to be held tomorrow in Rio de Janeiro to prepare the summit, said: "Dialogue would make it possible for Cuba to join the Inter-American system and would also be instrumental in bringing about the necessary reforms in Cuba."

Asked about the economic blockade the United States has imposed on Cuba for more than 30 years, Amorim said: "The Brazilian position is well-known: Brazil opposes the embargo."

Amorim noted that although Brazil will propose that dialogue be held with Cuba, a final decision by the 14 Rio Group member countries will be made only following the discussions to be held among the foreign ministers first and among the heads of state later.

Amorim said: "We advocate a position that would increasingly promote dialogue and Cuba's incorporation into the inter-American system, especially into Latin America."

Amorim said that Brazil's "policy of dialogue" with Cuba has already yielded "results," such as the recent announcement by President Fidel Castro that Cuba will join—after 25 years of refusal to do so—the Tlatelolco Treaty, which bans nuclear weapons in Latin America, and Castro's invitation to Jose Ayala Lasso, the UN high commissioner on human rights, to visit Havana.

Paraguayan, Brazilian Presidents Sign River Accord

PY0309001394 Asuncion ABC COLOR in Spanish 2 Sep 94 p 7

[Text] Paraguayan President Juan Carlos Wasmosy and Brazilian President Itamar Franco yesterday agreed on the suitability of encouraging the multiple development of the Paraguay River near Bahia Negra to irrigate the Chaco region and areas of Mato Grosso do Sul. The two presidents signed a joint declaration in Brasilia and exchanged decorations. The document notes that the Corpus dam project will help develop the River Plate basin's energy potential.

During his last day in Brazil President Wasmosy and President Franco signed a joint declaration expressing the two countries' interest in starting the preliminary studies to determine the feasibility and the environmental impact of the Paraguay River multiple development near Bahia Negra within the framework of a project to irrigate the Paraguayan Chaco region and the Mato Grosso do Sul area.

The presidents stressed the importance of implementing the Tiete-Parana waterway as part of the River Plate

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basin development, as a way to link Paraguay and Brazil, and as an important factor in increasing bilateral trade. Wasmosy and Franco also reiterated their disposition to study appropriate ways to interconnect the Tiete-Parana waterway with the Paraguay-Parana waterway.

The presidents agreed on the importance of the Paraguay-Parana waterway for the development of River Plate Basin Treaty member countries. Wasmosy and Franco pointed out that the project, of basic importance for the region, will be developed according to recommendations derived from feasibility studies produced within the framework of an inter-governmental committee program established with the IDB [Inter-American Development Bank] and the UN Development Program cooperation. "Measures to minimize the waterway project's environmental impact will thus be defined clearly and precisely."

Economic Growth With Social Equality

The joint declaration says that in the past few years Paraguay and Brazil "covered similar paths in their political transition process, aimed at consolidating democracy and democratic institutions and spurring economic growth and social development with equality. We believe the process represents an effective contribution to the region's peace and solidarity," the presidents said.

Construction of Bridges on Parana, Apa Rivers

Wasmosy and Franco expressed their satisfaction over ongoing projects aimed at building a second international bridge over the Parana River, in the east, and a bridge over the Apa River. Wasmosy and Franco exchanged the documents for the bidding of the construction of a bridge linking Presidente Franco, in Paraguay, and Foz do Iguacu, in Brazil.

Wasmosy and Franco also stressed the importance of building the Corpus hydroelectric power plant between Paraguay and Argentina, "a project that will represent a significant development in the picture of the River Plate basin energy generation potential, and will constitute an important factor for the region's social and economic development."

Outgoing Buenos Aires Mayor Heads Yacyreta Binational Project

PY0709180094 Buenos Aires NOTICIAS ARGENTINAS in Spanish 2011 GMT 5 Sep 94

[Text] Buenos Aires, 5 Sep (NA) — Outgoing Buenos Aires City Mayor Saul Bouer this afternoon took over as head of the Yacyreta Hydroelectric Binational in a ceremony that included his predecessor, Jorge Dominguez; Eduardo Bauza, secretary of the presidency; and Raul Romero Feris, governor of Corrientes Province.

After the ceremony, Bauza stressed that Argentina "will fully respect the agreements that have been signed with Paraguay" in the framework of the continuity of the Yacyreta project, and he noted that "the conservation of the ecology and the endorsement of the commitment to the relocation of people are a challenge."

After the ceremony, which took place at the headquarters of the binational organization, Bauza stressed that "the inhabitants of Misiones and Corrientes provinces and of Paraguay can be absolutely sure that we will rigorously comply with the relocation commitment."

UN Official Warns Against Latin American Trade 'Fortresses'

MS0209134294 London FINANCIAL TIMES in English 2 Sep 94 p 5

[Report on Interview with Gert Rosenthal, Executive Secretary of UN Economic Commission for Latin America and the Caribbean, by David Pilling; date and place not given]

[Text] Latin America must not allow the web of free trade agreements across the region to fragment into "four or five fortresses", but should strive for greater integration, the UN Economic Commission for Latin America and the Caribbean urges.

Bilateral and multilateral accords, now numbering more than 30, could "merge into one great bloc or, on the downside, divide the region," Mr Gert Rosenthal, commission executive secretary, said in an interview.

As well as 22 bilateral accords, several sub-regional pacts have been formed recently, including the tripartite North American Free Trade Agreement of the US, Canada and Mexico; the Mercosur customs union of Argentina, Brazil, Paraguay and Uruguay; and the Group of Three, made up of Mexico, Colombia and Venezuela.

Blocs are also emerging in Central America and the Caribbean basin.

Mr Rosenthal said there was a danger that the outbreak of such accords was merely redirecting trade rather than creating it. Regional trade had grown "spectacularly"—exports within the region have increased at 50 per cent a year since 1990—but it was very difficult to pinpoint cause and effect.

"We don't know how much of (the increasing trade) is due to the existence of preferential treatment, how much is due to the indirect effect of business communities becoming aware of each other, or how much would have happened anyway in the absence of a trade agreement."

What seemed certain was that nations on the margins of free trade pacts—such as Caribbean states in the case of NAFTA—were likely to lose out, both in terms of trade and of investment, he said.

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Even Brazil, Latin America's largest economy, had claimed that preferential agreements within NAFTA, particularly those pertaining to capital goods, had resulted in lost trade worth hundreds of millions of dollars.

Multiple pacts had also created an administrative bureaucracy that militated against efficient commerce, Mr Rosenthal said. Tariffs on the same product could vary enormously, depending on the country of origin and the stage of a given treaty, most of which phased in preferential treatment.

Mr Rosenthal was not seeking to call a halt to the process. "What we're saying is: "Why don't you proceed with these trade agreements in such a way as to minimise the risks of trade deviation and maximise the potential of trade creation?""

Governments could move in this direction by standardising trade agreements, using Gatt rules as their starting point, and by broadening the range of goods covered by pacts. Nations should join existing accords rather than form bilateral alliances. "It is ridiculous that there are 22 bilateral trade agreements. We would like to see them multilateralised as quickly as possible."

In this respect, Mr Rosenthal thought Chile should join NAFTA, rather than sign a separate accord with the US. He also supported Chile's initiative to become an associate member of Mercosur.

"I would like to see Chile taking on both commitments simultaneously," he said. "Conceptually, they are not saying they are going to join NAFTA but turn their back on the rest of the region. They are trying to do in practice what we are preaching—that is to take on multiple commitments."

On the positive side, Mr Rosenthal thought that Latin American governments, nearly all civilian and democratically elected, shared a political vision of closer integration. "There is a more favourable environment for actually doing these things. There was a lot more rhetoric 10 or 15 years ago."

The concept of integration, in the 1960s driven by notions of import substitution, has now shifted to free-market terrain. "Governments are trying to rediscover the meaning of international integration in a more open trading system."

But the danger of economic fortresses and continental fragmentation still existed. One possibility—"not necessarily desirable"—was that political realities in the US would halt the expansion of NAFTA and that Brazil's proposal for a South American free-trade area would take off. "Maybe, by 2000, you will have a fairly solid regional bloc in South America and another in North America.

"It is too early to tell where all this will lead," Mr Rosenthal said. "It could have a happy ending. On the other hand, the ending may be more complex."

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Cuba

Article Previews 7 Sep Talks

PA0709170694 Havana PRENSA LATINA in Spanish 1614 GMT 7 Sep 94

[Article by Roberto Molina: "Today's Round of Talks Could Be Decisive for Negotiations"]

[Text] United Nations, 7 Sep (PL)—Today's round of talks between Cuba and the United States could be decisive for an agreement between the two sides. Tomorrow will mark a week since the talks' beginning.

The Cuban delegation, headed by Ricardo Alarcon, president of the National Assembly of the People's Government, arrived at 0900 (1300 GMT) at the office of the permanent U.S. mission at the United Nations to continue the dialogue with Michael Skol, principal deputy assistant secretary of the assistant secretary for inter-American affairs, and his delegation.

The talks were renewed following contact in the past three days between Alarcon and Skol to present proposals and counterproposals.

During a brief meeting yesterday between the heads of the two delegations, Skol received an answer from the Cuban side to a document presented by the United States Monday. U.S. sources described this meeting as serious and constructive.

In statements to newsmen following a closed-door meeting with representatives of the Group of Latin American and Caribbean Countries [GRULAC], Alarcon said that the blockade, as a fundamental cause of the immigration problem, is still, as the Cubans see it, the most important issue to be discussed in talks.

However, in line with the flexibility shown by Cuba in the dialogue, he acknowledged the possibility of an agreement limited to illegal refugees as long as the two sides reach a common position on this.

It has been reported that at the GRULAC meeting the head of the Cuban delegation spoke of the possibility of an agreement being reached, although he was clear in saying that the negotiations are complex because of the more than three decades of differences between Cuba and the United States and of the tightening of blockade measures.

In the days since the talks began last Thrusday, it has been possible to clear up some issues which have helped each sides' position be better understood.

Sources close to the Cuban delegation explained to the media that their position that the blockade is the fundamental cause of the illegal emigration remains the same, since the problems confronting the country encourage some individuals to join the exodus to the United States, given the incentives offered by this country for this kind of exit.

Nevertheless, they pointed out, Cuba is not requesting an immediate dialogue on lifting the embargo as a condition for an agreement, but just that this issue be considered during the negotiations.

The U.S. position, very inflexible up to now, has been restricted only to consideration of the migration issue and to the minimum offer of 20,000 visas annually to all individuals interested in travelling.

In this respect, Cuba stressed that the offer was insufficient given that the same figure is already included in the 1984 agreement signed by both nations, which the United States has never honored. In one decade [words indistinct] more than 11,000 visas, in other words, mitigates [word indistinct] 50 percent it should have granted in one year, for which reason more than 100,000 requests have accumulated and need quick solutions.

Yesterday's statements by a U.S. spokesperson on the seriousness of the Cuban reply to this new offer, which has been described as a "document with which one can work," could be viewed as a meaningful indication of a change in Washington's position.

Nevertheless, neither of the two sides harbors any illusions, and while the United States cautions against premature forecasts of an imminent agreement, Cuba chooses to remain silent and refrain from venturing any opinion until such time as concrete agreements are made at the negotiating table.

Alarcon To Return to Talks After Havana Consultations

FL0709175394 Havana Radio Rebelde Network in Spanish 1700 GMT 7 Sep 94

[Text] The negotiations between the United States and Cuba to find a solution to the rafter crisis resumed today, Wednesday, after making some progress yesterday. Today's session, held at the UN headquarters in New York, lasted 45 minutes without any significant results. After several days, during which the meetings were limited to presentations of proposals and conterproposals, Ricardo Alarcon de Quesada, head of the Cuban delegation, presented a response to the latest U.S. initiative, which has been described by the U.S. side as serious and as documentation upon which work could be done. Alarcon himself declared to the Spanish News Agency (EFE) that on 6 September, for the first time, progress was achieved, but stated that there cannot be a definite solution to the problem until the Yankee blockade is completely lifted against Cuba. Nevertheless, Alarcon indicated that an agreement limited to immigration could be established, which would not necessarily include the end of the blockade.

Sources in Miami report that by midnight, the U.S. Coast Guard had picked up 689 Cuban rafters in the Straits of Florida. The emigrants were taken to the Guantanamo Naval Base. A total of 150 rafters who have

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been in that installation will join the first 93 received yesterday at the U.S. Air Force base in Panama.

A last-minute report indicates that Ricardo Alarcon, head of the Cuban delegation to the negotiations with the United States on migration issues, which is being held in New York, will travel to Havana for consultations and should return in two or three days. This information was announced by U.S. Secretary of State Warren Christopher who declared that this brief interruption of the negotiations does not mean that the talks failed. Christopher indicated that the rest of the Cuban delegation will remain in New York. He added that he believes the talks are still useful.

Chances for Agreement Said 'Closer'

PA0709183694 Havana PRENSA LATINA in Spanish 1738 GMT 7 Sep 94

[Text] United Nations, 7 Sep (PL)—It has been learned unofficially that the chances seemed closer for an agreement between Cuba and the United States within the framework of the talks being held here since last Thursday.

Following a brief exchange here at the U.S. permanent mission to the United Nations to analyze the Cuban reply to a new document presented on Monday by Washington, the chief of the Caribbean delegation, Ricardo Alarcon, left that site, announcing that he will travel to Havana for consultations.

Sources from the Cuban mission said that Alarcon's departure will be [words indistinct] will be back in New York tomorrow to continue with the talks.

According to reports from Washington, Secretary of State Warren Christopher pointed out that the negotiations continue in a proper atmosphere, and that the departure of the president of parliament and former Cuban foreign minister is only a brief pause in the talks.

In statements made yesterday to a group of correspondents at the United Nations where he attended a meeting with representatives from the Group of Latin American and Caribbean Countries (GRULAC), Alarcon forecast the possibility of a limited agreement.

At any rate, the Cuban negotiator warned that the negotiations are complex due to the conflict the two countries have had for more than three decades, as well as the rigid stand adopted so far by the United States of restricting talks to the migration issue.

Alarcon added that the causes of this problem stem from Washington's policy toward Cuba, particularly the blockade that has been in effect for over 30 years.

This is an issue that should be examined in order to reach a definite and stable solution to the issue, he stated.

He also said that Cuba is willing to examine any pertinent issue with the United States, and that is why he is in New York.

Alarcon 'Neither Optimistic Nor Pessimistic'

PA0809004194 Havana PRENSA LATINA in Spanish 2254 GMT 7 Sep 94

[Text] United Nations, 7 Sep (PL)—Talks between Cuba and the United States will continue in the next few days when Ricardo Alarcon, head of the Havana government delegation, returns to New York. Alarcon returned to his country today for consultations.

If U.S. Secretary of State Warren Christopher in fact termed the dialogue useful and productive when commenting on Alarcon's departure, the president of the Cuban parliament told the press that he feels neither optimistic nor pessimistic but realistic. He considered it necessary for the United States to demonstrate some flexibility regarding the issues under discussion.

A member of the Cuban delegation confided to PRENSA LATINA that the conversations remain at a standstill because of the differing positions. The source affirmed that this is a very complex and delicate matter taking place amid a high level of aggression from the United States towards Cuba, which has not ended.

The Cuban delegation member stated, however, that there is no reason to be pessimistic and said it was important to wait for Alarcon's return and the continuation of the talks before making any predictions.

Alarcon: Talks 'Tense,' 'Complex'

PA0809020694 Havana PRENSA LATINA in Spanish 0115 GMT 8 Sep 94

[Text] Havana, 7 Sep (PL)—Ricardo Alarcon, president of the National Assembly of the People's Government and head of the Cuban negotiating mission, said here today that the current talks between his country and the United States are serious and mutually respectful.

In brief statements to Cuban television upon his arrival in this capital for consultations, Alarcon said the dialogue has been tense and complex because of the different positions maintained by the two sides at the negotiating table.

We are negotiating from quite different viewpoints, which is why it is difficult to find similar views, he said.

Moments before leaving for Cuba, the president of the Cuban parliament told reporters in New York that he is neither optimistic nor pessimistic but realistic and believes it necessary that the United States demonstrate flexibility regarding the topics under discussion.

Alarcon's departed a few hours after a round of plenary talks between the two delegations at the seat of the U.S. permanent mission to the United Nations.

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During the meeting they discussed Cuba's response to a new document presented by the U.S. delegation on Monday, which was termed useful and a sound basis for future work.

Alarcon: Agreement Possible

FL0809025894 Havana Tele Rebelde Network in Spanish 0208 GMT 8 Sep 94

[Interview with Ricardo Alarcon de Quesada, head of the Cuban delegation to U.S.-Cuban talks, by Carlos Iglesias at Jose Marti International Airport upon Alarcon's return to Havana from New York on 7 September; from the "This Very Day" program—recorded]

[Text] [Alarcon] The talks have been conducted with a good level of seriousness, professionalism, and mutual respect. Of course, they have been tense and complex. It is a difficult issue, and the points of view are quite different. The discussion began from distant perspectives; therefore, it is not easy to find a common ground, which should be the basis of any accord.

[Iglesias] It is said that you will be returning.

[Alarcon] Yes. I have only returned for consultation and will return to New York quickly.

[Iglesias] Does this sudden trip to Havana mean that there are broader issues or proposals that must be discussed in Cuba.

[Alarcon] It means that...[pauses] The U.S. secretary of state himself said it this afternoon, that there is a point in negotiations when it is good to hold direct, personal contacts. This is the best way of explaining, understanding, and seeing the nuances of a situation. That is the phase in which we are now. As he mentioned, it shows the seriousness with which the Cuban side is handling the talks.

[Iglesias] What are the prospects from here?

[Alarcon] I trust that we can reach an acceptable agreement as a result of the talks on immigration issues. I am convinced that in today's climate, in which the blockade policy is broadly criticized and questioned, even partial progress in one area can strengthen that school of thought advocating dialogue and understanding between both nations. Cuba's position has always been that the root of the problem must be discussed if we permanently, definitely, and truly want to solve problems. On the other hand, we have always been willing to discuss any pertinent issue, any issue of bilateral relations between Cuba and the United States, on the basis of equality. In line with this position, logically we had to agree to participate in these talks even though they would be limited to the immigration issue. Yet, immigration is unavoidably tied to all this problematically. I am not saying this: Editorials in the most influential U.S. newspapers and important U.S. Senate and House figures are saying this. The opinion that the only way to solve problems between the two nations is to lift the blockade and to sit down and discuss every problem broadly is gaining acceptance every day in the United States.

Radio Cites Alarcon, Christopher on Talks

FL0709213594 Havana Radio Reloj Network in Spanish 1932 GMT 7 Sep 94

[Text] Unofficial sources have reported that the chances that Cuba and the United States will reach an agreement during their talks, which began in New York on 1 September, are looking better today. Ricardo Alarcon de Quesada, head of the Cuban delegation, said after a brief meeting at the permanent U.S. mission to the United Nations on Cuba's response to the document that Washington presented on 5 September that he will travel to Havana for consultations. Cuban mission sources said that Alarcon is scheduled to depart this afternoon and will very likely be back in New York on 8 September to continue the talks. Secretary of State Warren Christopher has reportedly pointed out in Washington that the talks continue in a useful atmosphere and that Alarcon's departure is simply a brief pause in the talks. Alarcon yesterday told correspondents accredited to the United Nations, where he attended a meeting with representatives of the Latin American and Caribbean Group, about the possibility of a limited accord. Alarcon went on to stress the complexity of the talks, given more than 30 years of conflict between the two nations and the rigid U.S. position on limiting talks to immigration issues. Alarcon added that the root of the problem is Washington's policy on Cuba, particularly the more-than-30-year-old blockade, an issue, he added, that must be discussed to reach a definite and stable solution. Alarcon said that Cuba is willing to discuss any pertinent issues with the United States.

PRENSA LATINA Reports Christopher Remarks on Talks

PA0709180794 Havana PRENSA LATINA in Spanish 1729 GMT 7 Sep 94

[Text] Washington, 7 Sep (PL)—Secretary of State Warren Christopher today described the Cuban-U.S. talks taking place in New York as "constructive" and suggested that there may be some results in the next few days.

In statements to the press, Christopher disclosed that in the next two or four days there might be an agreement between Washington and Havana, following consultations—he says—by Cuban delegation chief Ricardo Alarcon with his government.

Christopher was especially cautious in making these statements and pointed out that Alarcon would most likely be travelling today to Havana.

The number one man in the State Department indicated that this "brief interruption in the talks in "no way

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means that there has been a breakdown in the dialogue." He stressed: "We believe that the discussions continue to be constructive." [quotation marks as received]

He pointed out that the rest of the Cuban delegation will remain in New York, where it is expected that the bilateral talks will continue.

General on Dangerous Situation at Guantanamo

PA0709143594 Havana PRENSA LATINA in Spanish 1050 GMT 7 Sep 94

["Exclusive" article by Jesus Bermudez Cutino, division general of the Revolutionary Armed Forces of Cuba: "The Concentration of 'Rafters' at Guantanamo Naval Base: a Dangerous Adventure"]

[Text] The U.S. Government's decision to use the naval base at Guantanamo Bay—a base occupied against the will of the Cuban Government and people—as a concentration camp to hold "rafters" trying to reach U.S. territory constitutes an action that may have unforeseeable consequences.

On either side of the fence there are forces and equipment of two armies that have been on the brink of confrontation for the past 35 years. Any incident, no matter how unwelcome or accidental it may be, could complicate the tense situation existing in the area.

The overcrowding of more than 19,000 people awaiting possible immigration in small camps has turned this base into what the Spanish news agency EFE has called a "real prison whose occupants have become desperate."

This desperation could provoke fights or lead the "refugees" to carry out violent actions against their guards and undertake acts of disobedience which, in turn, would be answered with the use of force by U.S. military forces, perhaps even with firearms. From the positions held by Cuban troops, it would be difficult to determine against whom the fire is directed.

Although separated, the existence of two relatively close camps with two large groups of "refugees" (Haitians and Cubans)—people who have different habits and codes of conduct—could give way to scuffles difficult to control once they start.

Moreover, not only those rafters who are picked up in the Florida Straits arrive at the base.

The Cuban authorities have reiterated the danger facing those who venture to enter this U.S. occupied territory because of the existence of extensive mine fields on both sides of the fence. Nevertheless, in the past few days individuals who want to obtain asylum in the installation have continued to arrive there.

The Marines' rejection of the undesired guests might give way to incidents along the perimeter of the base, because for those of us who know the terrain, it is easy to imagine what might occur in such a dangerous location during a scuffle between an individual who wants to enter and another who is preventing him from doing so. Therefore, we foresee the real possibility of individuals being wounded and even killed, not only because of the density of the mine fields, but also because of the existence of other lethal means in this location, where the Army of the most powerful military power on the planet trains for war and where the ethics, morals, and respect for life are questioned by the entire world.

Moreover, no one can doubt that this staunch enemy's sickly hatred of Cuba could, at any given time, be unleashed against people who, despite being their victims, have Cuban blood.

Military (combat) personnel has been increased by approximately 7,000 troops under the pretext of stepping up security measures around the "refugee" camps. Despite the presence of civilian personnel in different areas of the base, the U.S. forces have continued to conduct exercises which, apparently, are rehearsals for an invasion of Haiti. These exercises consist of naval disembarkations in motorboats and hovercraft (LCAC), assaults on targets, and live fire exercises. All of these activities are extremely dangerous for civilians who, held as things and not human beings, are living in areas which at some point in time were "coal mines" [carboneras].

The artificial and sustained increase in the base's population also has caused serious environmental problems on either side of the border perimeter. The indiscriminate disposal of waste in inappropriate areas could cause epidemics that would affect every resident of the area and could cause irreparable damage to the flora and fauna in general.

The Navy's increased presence and, therefore, the arrival and departure of warships and Coast Guard vessels have caused the "congestion" of sea traffic in the bay and increased violations of Cuban territorial waters.

Every day naval ships of various types arrive at the base, including amphibious ships, cruisers, and destroyers. Many of these boats are equipped with cruise missiles capable of hitting long- range targets with precision. Almost every day nuclear submarines navigate south of the base, patrolling the area.

Flights by various types of planes to and from the Guantanamo Naval Base have also increased, which has led to an increase in airspace violations, which could also prompt unwanted incidents.

The evacuation of "nonessential" personnel and relatives of the U.S. soldiers who work at the base has been announced by the U.S. authorities as a necessary measure to help conserve water, power, and essential services. Nevertheless, the withdrawal of this personnel could be interpreted as an indication that a substantial deterioration of the situation is expected or that the U.S. Armed Forces are planning to carry out dangerous actions in the area.

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In practice, the United States is using the territory it occupies at Guantanamo against the will of the Cuban people as a true concentration camp. The United States is trying to use another country's territory to house people whom U.S. propaganda had promised an earthly paradise. Now, however, they are giving them meager food, small and intolerable shelters, and little hope of embracing the "American Dream."

Danger of Overcrowding Reported at Guantanamo Camps

PA0709160594 Havana PRENSA LATINA in Spanish 1424 GMT 7 Sep 94

[Report by special correspondent Ulises Canales]

[Text] Guantanamo, Cuba, 7 Sep (PL)—The concentration of approximately 43,000 people on the naval base occupied by the United States in this part of Cuba could unleash a (?human) explosion of unpredictable consequences, a ranking Cuban officer warned today. Brigadier General Carlos Manuel Perez Perez, chief of military troops in Guantanamo, the easternmost province of the country, explained to PRENSA LATINA the dangers hovering over that area with the confinement on the enclave of 21,000 Cubans, 14,000 Haitians, and almost 8,000 U.S. troops.

That total figure—43,000 people in only 117.6 square km—is almost five times the number of people who live in Guantanamo's Caimanera Municipality adjacent to the base. There are approximately five refugees to every U.S. soldier, he added.

During a tour of areas near the military installation, which the U.S. has maintained for the past 51 years, Perez pointed out the existence of "a series of physical conditions that affect that human mass" living in a sort of gigantic jail or concentration camp.

"There are serious food problems, the people lack radios, television and other means of information which, added to the situation they have brought with them, are generating elements that could lead to a huge explosion," he said.

Perez added that the Cubans live in squalor in three camps isolated by barbed wire, in promiscuity and without any hope for the future, which leads one to believe that "what may happen within 20 or 30 days in those tents is incalculable."

PRENSA LATINA was able to confirm from its observation site on Melones hill, the highest hill overlooking the base, that the Cubans are surrounded by double barbed wire and they live in tents capable of housing from 16 to 30 people, with two rows of folding beds in each.

Military sources, citing the testimony of two individuals who managed to escape U.S. surveillance and flee the naval enclave, told reporter Canales that food is given to the refugees in disposable bags and consists of rice and beans. Children get hardly any milk, they added.

There are self-appointed tent group representatives. At high noon, temperatures inside the tents rise to between 34 and 36 degrees centigrade, which is comparable to being in jail.

General Perez recalled that the people staying there want to travel to the United States (a goal they cannot reach) and reported that so far there have been four riots by distraught Haitians, 150 of whom have jumped into the sea in an effort to reach the Cuban coast.

The officer said that Cuban nationals have also declared their interest in returning to their place of origin.

Because of this, the Cuban forces anticipate that eventually there will be a rampage by people wanting to leave the installation, something that result in victims considering the large amount of antitank and antipersonnel mines throughout the border area.

Speaking about preventive measures, he spoke about buttressing the area to prevent arrivals at the base by land, the perfection of a three-ring watch system, and the placement of barriers designed to prevent the entrance of vehicles.

The plan conceived by the Cuban military also envisages helping people trapped in mine fields and taking them to safe places.

The commander of the Guantanamo troops has reported that the United States has increased its military force from 2,500 to approximately 8,000 soldiers. These have been tasked, among other functions, with watching the Cubans and Haitians who live behind the barbed wire as prisoners.

Foreign Media Briefed on Guantanamo Situation

FL0709222494 Havana Radio Reloj Network in Spanish 1945 GMT 7 Sep 94

[Text] Reporters from influential news networks, news agencies, newspapers, and stations from several countries continue arriving in Guantanamo to find out up close about the situation on the U.S. naval base in that province. A broad representation of the permanent correspondents accredited in Cuba arrived at Mariana Grajales Airport today to join the special correspondents who have been touring areas of interest for several days now. Their main goal is to be briefed by military sources on the latest events at the base, where thousands of illegal emigrants barred from entering the United States are being held. Brigadier General Carlos Manuel Perez Perez, chief of the troops in Guantanamo, said that there are 21,000 Cubans and 14,000 Haitians in the concentration camps, in addition to 8,000 U.S. troops. Anchormen, moderators, producers, cameramen, reporters, and other media technicians from the ABC, CNN, NBC, and CBS networks are chartering planes from Havana to Guantanamo to check out the situation.

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These visitors are usually briefed by Brigadier General Perez Perez, who believes that making this information available to the press allows Cuba the ability to show the reality of life on the border area, one of the most densely mined areas in Latin America. Perez Perez stressed growing concern for the situation created by the excessive conglomeration of Haitian and Cuban illegal emigrants picked up at sea by the U.S. Coast Guard while trying to reach the United States. The reporters are briefed on defensive and preventive measures taken by the Cuban side to maintain the security of the region and to avoid illegal entries or departures from that naval base.

Military Officer Reports Rafters Returning From Guantanamo

PA0809034194 Madrid EFE in Spanish 0240 GMT 8 Sep 94

[Text] Guantanamo, (Cuba), 8 Sep (EFE)—In the last few days eight Cuban rafters who had sought refuge at the camps installed on the U.S. Guantanamo Naval Base returned to Cuban border territory, a high-ranking military officer on the island informed today.

Brigadier General Carlos Manuel Perez Perez, chief of the Cuban military forces in Guantanamo, told a group of foreign reporters who were visiting the observation post on Malones Hill, the highest post surrounding the base, that the Cubans were sent to Havana, their province of origin.

The high-ranking military officer explained that four of the Cuban rafters returned last Sunday and said that he knows of other Cubans who wish to return.

He also said that this year only two Cubans have been able to cross the heavily guarded strip of land surrounding the U.S. naval base, which is intended to deter attempts to enter or leave the military installations.

The Cuban military officer said there is "no tension" in the area and said that any Cuban who tries to cross the border between Cuban territory and that occupied by the U.S. naval base in Guantanamo will be severely punished, "because no irresponsible individual will be allowed to create a confrontation for us here."

The surveillance measures that were adopted by the Cuban authorities to prevent individuals from entering the base by land include the installation of a system of three rings and the placement of obstacles to prevent vehicles from crossing.

The U.S. naval base in Guantanamo, located 970 km west of Havana, occupies 117.6 square kilometers, 49.4 of them land, 38.9 of bay waters, and 29.4 of marsh lands.

First Group of Rafters Arrives in Panama

FL0709160294 Havana Radio Progreso Network in Spanish 1100 GMT 7 Sep 94

[From the "First Thing" program]

[Text] On 6 September, the first group of 64 Cuban rafters arrived in Panama. The group came from the Yankee Guantanamo Naval Base, and is the first of the 10,000 Cubans to be held at the camp, under U.S. military control. The Cuban immigrants were transported in a U.S. Air Force plane and will be held at four U.S. Army camps on the banks of the Panama Canal. A second group of Cubans, to arrive in Panama shortly, will be concentrated at the same military base, Howard Air Force Base, which is located near the Panama Canal.

Radio Notes Arrival of Second Group of Cubans in Panama

PA0809021994 Havana Radio Havana Cuba in Spanish 0000 GMT 8 Sep 94

[From the "Evening Information Review" newscast]

[Text] A second group of illegal Cuban emigres from Guantanamo Naval Base on Wednesday arrived in areas under U.S. Southern Command control in Panamanian territory. U.S. sources reported that the group of Cubans is made up of 150 people, who joined the 93 who arrived on Tuesday; thus there are currently 243 so-called Cuban rafters housed in camps built on U.S. military bases in the Canal zone.

The administration of Panamanian President Ernesto Perez Balladares approved the presence of 10,000 illegal Cuban emigres in that country for six months for humanitarian reasons. The Panamanian Human Rights Committee said that the facilities erected by U.S. military personnel for the Cubans are true concentration camps. Meanwhile, the Panamanian Catholic Church said that such facilities do not have the conditions required for a dignified life.

University Students Reaffirm Support for Revolution

PA0809033594 Havana Radio Havana Cuba in Spanish 0000 GMT 8 Sep 94

[Report by Beatriz Padron for the "Evening Information Review" newscast]

[Text] A new encounter of Cuban students with the fatherland took place this afternoon on the historic steps of the University of Havana. The purpose of this event, sponsored by the Federation of University Students [FEU], was to reaffirm the commitment of generations of intermediate and university students to the revolution and to show the style with which the student group is facing the new academic year. One of the speakers was Eusebio Leal, a deputy and a historian of the city of Havana. In his speech, he recalled the struggle of the island's students throughout history to defend the values of the university and the fatherland. At the same time, he referred to the commitment of Cubans of today.

[Begin Leal recording] What message could the person, comrade, friend who is regularly devoted to historical

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endeavors give? He would say that in the history of our fatherland, hope beneath the fatherland's flag stands steadfast in the redoubt of the fatherland, faithful to the fatherland; that we should love Cuba more than ever, more intensely, without rest or respite, because she, standing high in the redoubt, opens up her arms, like our alma mater, to embrace us all. Fatherland or death. [applause, cheers] [end recording]

FEU President Otto Rivero, in turn, recalled the support Cuban students gave the revolution during recent disturbances in Havana staged by counterrevolutionary individuals and reiterated the enormous challenge facing today's youth.

[Begin Rivero recording] Our current mission is more complex. Although we may lack many everyday things, we do not lack the memory and intelligence to appreciate our wealth and the fact that thousands of teachers struggle day in and day out to make it to class on the bus, by bicycle, or on foot for our sake. We must remember that society is there for us. [end recording]

In another part of his speech, the student leader stressed the significance of this activity by the young people of Cuba.

[Begin Rivero recording] Many have lost the strength and are glued to the radio, listening to the rising number of rafters and refugees at Guantanamo Base. Let them, then, listen also to the voices of the federation of intermediate and university students. Together with the people, we are today declaring before the world that we are the victims of the dirtiest policy that can be recalled [words indistinct] Cuba is [passage indistinct] they suspended our oil supplies. They banned imports. Everyday they come up with a new obstacle. [end recording]

Young people who gathered at the site confirmed their full support for the FEU message.

[Begin recording] [First unidentified speaker] Sincerely, the school asked us to, but even if had not, I would have come because I feel revolutionary.

[Second unidentified speaker] [Words indistinct] they are summoning the masses to gather so everyone can feel revolutionary. I think that in view of all the things that have happened before, this is like a meeting of all Cuban revolutionaries as a sign that everybody feels (?revolutionary). [passage indistinct]

[Fourth unidentified speaker] We support the revolution at all times.

[Fifth unidentified speaker] Much has been said [passage indistinct] the people are standing firm. We are here [passage indistinct] one breathes a revolutionary [word indistinct] since we are in a special period it is tougher than [passage indistinct] to give other views. The fact is the people are standing firm and are certain of the [words indistinct].

[Sixth unidentified speaker] We are young [words indistinct] the commitment young people have now with the country.

[Seventh unidentified speaker] The commitment [passage indistinct]. [end recording]

The reaffirmation ceremony, joined by the Federation of Intermediate Students, concluded with a concert by Moncada, a very popular group among Cuba's young people. Prior to the event, simultaneous marches were held in several parts of the city with the participation of hundreds of student who carried posters bearing patriotic messages.

Raul Castro Attends Student Rally

PA0809031294 Havana PRENSA LATINA in Spanish 0056 GMT 8 Sep 94

[Article by Ruben Cortes: "Rhythms and Colors Characterize Youth Support for the Country's Leadership"]

[Text] Havana, 7 Sep (PL)—A poster disseminated here depicting very happy youths with a caption below stating that "We Don't Run Out of This" gained strength on 7 September when university students reaffirmed with music and dance their support for the country's leadership.

Thousands of youths gathered on the steps of the University of Havana to listen to speeches by their leaders and to chant slogans on the ideas that form the bases of the social project upon which the Cubans embarked in 1959.

Army General Raul Castro, minister of the Revolutionary Armed Forces, participated in the festivities with the students near the facade of the higher education center founded on 5 January 1728 by Friar Jose Poved, prior of the San Jose de Letran Convent.

"Moncada," a musical group bearing the name of a garrison in eastern Cuba that was attacked in 1953 by current President Fidel Castro and dozens of his followers, played Cuban love and social protest songs.

Frank Fernandez, considered by critics as one of the world's four greatest living pianists, brought his piano from the concert hall and placed it on the steps of the University to play his famous "fugues" and "solos."

As is typical of summers in the tropics, a torrid sun gave way to torrential rain in the afternoon, but by then the crowd and the musicians had reached a state in which rhythm and the five senses allowed no room for paying attention to anything else.

Observers were surprised by this event called by the Federation of University Students (FEU) and the Federation of Intermediate Level Students (FEEM) on a day without relevant background among a string of historic dates of a people with more than a century of independence struggle.

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FEU President Otto Rivero, however, explained that "any date is good, and we tried to start the new school year in a different way with a political offensive at the universities to ensure that students play a more active role."

It was also a way for the university students to make up for the incidents of 5 May, when there were disturbances involving antisocials on certain Havana streets that caused some shattered windows and other damage.

The youths were on vacation then but confronted the disturbances along with the people. This week they reorganized in the classrooms and on 7 September reaffirmed their historic support for the revolution that triumphed in 1959, which is "not running out" for them either.

Robaina on U.S. Talks, Spain Visit

PA0709161994 Mexico City NOTIMEX in Spanish 1507 GMT 7 Sep 94

[Text] Madrid, 7 Sep (NOTIMEX)—Cuban Foreign Minister Roberto Robaina affirmed today that Cuba's top political priority right now is to survive and that the notion of setting deadlines for implementing political or economic change has been thrown out. Speaking at a news conference, the Cuban minister said that his country cannot accept international pressure for changes in the socialist regime because it must first face its survival needs. He affirmed: "Our top priority is survival, not change. We must first be allowed to live, later to change."

At noon today, Robaina held the first of two working meetings with his Spanish counterpart, Javier Solana, to officially begin his seven-day visit to Spain. The two discussed Cuba's political situation, the crisis situation of approximately 28,000 Cubans who have tried to emigrate to other countries, the negotiations Havana is now having with Washington, and the way international opinion views the island's problems. At a second meeting scheduled for this afternoon, Robaina and Solana will discuss the island's economic situation and Spanish investment in Cuba.

Solana said at the same news conference that Spain will maintain its political and economic cooperation with Cuba "because many things unite us and because this is a way to help Cuba resolve its problems."

The two officials admitted there are political discrepancies between the two governments but noted that in spite of this they will continue bilateral dialogue.

The Spanish minister said his government is sure that "a profound political and economic transformation is necessary" to resolve Cuba's problems. This transformation, he said, requires a dialogue between the government of Fidel Castro, the domestic opposition, and the exile groups "so that there may be a reconciliation." The Spanish foreign minister said Spain expects the Cuban Government to be "generous toward those on the island who are dissenters" and that this generosity should be evident when the UN high commissioner for human rights visits Cuba in the near future.

Robaina said that Cuba disagreed with pressures that wanted urgent political and economic changes, but that it appreciated Spain's "sincerity and the opportunity to explain our point of view." "It is essential that Spain not be absent from meetings where Cuban issues are discussed and that it contribute to creating the means of communications necessary so that Cuba can express itself," he said.

As for the conversations that Cuban and U.S. officials are holding in New York on migration, Robaina described as positive the fact both parties decided this morning to continue with the talks. "The signs of optimism expressed by the Cuban delegation have to do with surpassing the first stage of the negotiations, and this means we are not bogged down in New York," he said.

Cuba and the United States are trying to revitalize the bilateral migration agreements and establish in principle the number of visas Washington could grant the Cubans who wish to leave that Caribbean country. Cuba wants Washington to grant some 100,000 visas, while the United States has so far offered a little over 20,000. The Cuban Government also wants to broaden the scope of the negotiations to include the topic of the embargo against the island that has been in effect since 1960.

"The problem is not just the figures, but at least today we were getting somewhat closer," Robaina said, without going into details. "It is a topic that cannot be solved in two days. I trust that the rapprochement will grow. For the time being, I do not think that one can talk about a deadline for concluding the contacts," he added.

The Cuban foreign minister also thanked Colombia for its recent efforts to mediate and bring both parties together, but he said that the problem "is too complex to unload it" completely or in parts to mediators. "I believe Latin America, as a whole, can do much more by keeping open the communications channel between Cuba and the United States than by mediating in an extremely complex problem," he emphasized.

Tomorrow the Cuban foreign minister will continue his agenda of activities with a lecture Madrid's International Press Club. Prime Minister Felipe Gonzalez will receive him at noon at Moncloa Palace.

On Friday, he will leave for the Canary Islands to attend several private meetings with local authorities. He will return to Madrid on Saturday to Madrid to hold a recently arranged meeting with leaders of the Cuban exiles resident in Spain.

Next Monday, Robaina will meet with Senate leaders and some legislators from the Foreign Affairs Commission of the Congress of Deputies. In the afternoon, he will meet with leaders of the Spanish Confederation of

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Business Organizations. On Tuesday, 13 September, at an hour yet to be determined, King Juan Carlos I will receive Robaina. The latter will conclude his visit with a news conference at the Cuban Embassy in Madrid on 14 September.

Both Cubans and Spaniards agree that Robaina's trip has an important economic angle because of Spanish investment in the island, mainly in tourism.

Solana said that Spanish investors are not alarmed about the crisis situation in Cuba "because there is a bilateral agreement that protects investments.

The Spanish foreign minister added that his government will keep open an "economic advisory" channel toward Cuba, but it will be up to the Castro regime to decide whether to follow Madrid's advice.

Spanish suggestions include accelerated privatization of the enormous apparatus of state enterprises, strict control of the budget deficit, opening a more flexible market, and lifting restrictions on the handling of foreign currency.

Robaina recalled that some of these proposals have already been implemented by the Cuban Government and that others will have to wait for a favorable economic time in the country.

Further on Robaina's Talks in Spain

PA0709202894 Havana PRENSA LATINA in Spanish 1929 GMT 7 Sep 94

[Report by Alfredo G. Pierrat]

[Text] Madrid, 7 Sep (PL)—Cuban Foreign Minister Roberto Robaina today talked with Spanish Foreign Minister Javier Solana. Both sides confirmed their points of view in a cordial, friendly, and open atmosphere.

These were the descriptives used by Robaina after the meeting, who gave assurances that when Cuba and Spain dialogue there are no forbidden, difficult, or complicated topics and that they can discuss any issue because there is openness on both sides.

The two ministers held a private three-hour meeting at Santa Cruz Palace, the Spanish Foreign Ministry, and afterward answered the questions of several dozen national and foreign correspondents.

Solana explained that he reiterated to his Cuban counterpart that Spain opposes the U.S. blockade—which in Spain is called embargo—and he reaffirmed the Spanish Government's decision to continue its current level of cooperation with Cuba.

Solana also said that the cabinet headed by Felipe Gonzalez is convinced that the solution of the Caribbean island's problems will only be achieved through "a profound transformation in the political and economic spheres."

Robaina, meanwhile, after explaining that perhaps the terms profound and time do not mean the same thing in Spain and Cuba, underlined that at present his country, "before thinking of making changes must think of surviving."

The Cuban foreign minister said he realizes that sometimes it is difficult from the outside to understand what "thinking of survival only" means when one does not live with the pressure the island is enduring.

"Cuba needs to be allowed to live first in order to change later, and even now, we are living and changing," the Cuban leader said.

On this occasion, Roberto Robaina reiterated once again a key concept of Cuban politics when he said that regardless of the changes, Cuba will not give up its independence, its sovereignty, and its own voice.

It has been learned that during the Solana-Robaina meeting, the Spanish side voiced its satisfaction over Cuba inviting the UNHCR to visit the island.

To this end, the Cuban foreign minister explained in the news conference that this organization had been recently created in the United Nations, and it did not have any discriminatory or selective attitude toward any given country.

Robaina explained that he has nothing to do with the rapporteur appointed by the UN Human Rights Commission currently meeting in Geneva, which he stressed was a discriminatory and selective mechanism used against Cuba based on concepts the country does not share.

With respect to the appointment of a rapporteur, approved in Geneva following intense pressure by the United States, Robaina recalled that the decision was adopted on the grounds that there are flagrant human rights violations in Cuba.

Since Cuba does not agree with these accusations, it does not have to accept instruments that are imposed, the Cuban foreign minister stated.

In addition, he pointed out that the island's problems are not related to human rights issues, because on this topic "we not only have things to accomplish, but we also have accomplished many things."

It is for this reason that we believe is is important for the high commissioner to become aware of the Cuban experiences on human rights issues, "with all its virtues, its advantages, and its defects," Robaina remarked.

The two foreign ministers also discussed Cuba's relations with the emigrants. It has been reported that Solana has asked the Cuban foreign minister to continue the dialogue with representatives of the exiles.

Robaina talked about this matter during the news conference. He recalled the meeting held in Havana with

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emigrants some months ago. He noted that as far as Cuba is concerned, the dialogue is not over.

He said that the only rule that applies in this dialogue is that it takes place in the framework of goodwill and respect, and this leaves out those "who want the heads of those of us in Havana."

It is on the basis of goodwill and respect, not on the basis of demanding the heads of those of us in Havana, that we can discuss any issue, he stated.

Following the official talks with his Spanish counterpart, the Cuban foreign minister, who has been in this capital since yesterday for a one-week official visit, met with Antonio Gutierrez, secretary general of the Workers Commissions, one of Spain's two largest labor unions.

Spain's Solana: Talks With Robaina 'Intense, Frank'

PA0809042794 Havana Radio Havana Cuba in Spanish 0000 GMT 8 Sep 94

[From the "Evening Information Review" Newscast]

[Text] Spanish Foreign Minister Javier Solana has described as intense, frank, and fruitful talks held on Wednesday morning with Roberto Robaina, his Cuban counterpart who is visiting that European nation.

In statements to Radio Havana Cuba, Solana emphasized the importance the Ibero-American community places on maintaining fluid economic, political, and commercial relations with the largest Antillean country.

The chief of Spanish diplomacy pointed out the responsibility that he and the Cuban foreign minister have to preserve, for the sake of the two peoples, the historical ties that exist between the two countries.

In light of these relations, which are based on mutual respect, he suggested to his counterpart several alternatives to mitigate the island's current economic crisis. In this regard, Solana described the current economic measures applied by the Cuban Government as positive. In his opinion, Cuba must stay on that path of transformation.

Recommends 'Profound' Changes

PA0809044494 Havana Radio Havana Cuba in Spanish 0000 GMT 8 Sep 94

[Interview with Spanish Foreign Affairs Minister Javier Solana by reporter Barbara Bethancourt in Madrid, Spain; date not given; from the "Evening Information Review" newscast—recorded]

[Text] [Bethancourt] Mr. Minister, we would like to hear your assessment of the official talks with the Cuban [words indistinct]?

[Solana] The talks have been very intense and frank. I also hope the conversations have been very fruitful not only for [words indistinct] in Cuba but also to evaluate and know the events that have taken place in Cuba in recent weeks. We also discussed the international situation, specifically the Latin American situation.

[Bethancourt] [Words indistinct] recent times, I would say [words indistinct] intergovernmental exchanges [words indistinct] exchange?

[Solana] [Words indistinct] the desire of all Ibero-American countries to maintain fluid relations [words indistinct] from the political, economic, [words indistinct] standpoint.

[Bethancourt] For Latin America [words indistinct] of Cuba. However, [words indistinct] very close with Spain, which meant [words indistinct] Cuban counterpart Roberto Robaina was very open and frank. What do you mean by that?

[Solana] [Words indistinct] relations between the Cuban and Spanish people are not new, they date back many years. This means that both Foreign Minister Robaina and I will one day go, but the Cuban and Spanish people will remain. The important thing is that we maintain good relations between the people of Cuba and Spain. [Words indistinct] relations lasting many centuries.

[Bethancourt] Aside from this assessment, are there any fundamental aspects you consider vital for strengthening relations?

[Solana] I have been quite honest with the foreign minister, as we always communicate with each other. We have spoken on many occasions, within the framework of respect. In my opinion, the Cuban situation requires profound economic and political transformations. This is the key to overcoming difficulties, with all due respect. [Words indistinct] some economic aspects, we have tried to analyze the Cuban situation and recommend some measures that could alleviate economic difficulties.

[Bethancourt] How do you assess the transformations undertaken by Cuba so far?

[Solana] I think they are positive transformations and are steps in the right direction. But we believe these transformations must continue. I do not think the measures that have been taken are enough, and it is necessary to advance in this direction.

[Bethancourt] Thank you very much for your statements to Radio Havana Cuba.

Foreign Minister Robaina on Visit to Spain

WA0809125894

For reportage on the visit to Spain by Foreign Minister Roberto Robaina (including statements on talks underway in New York, refugees and rafters, reports on his meeting with Spanish Foreign Minister Javier Solano, and news conference) see the Spain section of the 7 September and subsequent issues of the WEST EUROPE Daily Report.

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Foreign Minister Robaina Interviewed

PY0809021094 Santiago EL MERCURIO in Spanish 27 Aug 94 p D7

[Interview with Foreign Minister Roberto Robaina by Elia Simeone; place and date not given]

[Text] [Simeone] How would you describe the Cuban situation?

[Robaina] It is the most difficult moment of the 34 years of the revolution. The current situation is difficult, very hard, but there are solutions, alternatives.

[Simeone] You are in a very poor state, economically speaking.

[Robaina] In the economic field? One of the greatest challenges we have is to design a model that will guarantee a basic meal for the people. It is true that our people lack a variety of food on their table, but looking around us, we see that millions of Latin Americans are short even of a table.

[Simeone] Up to what point will the pressure that has prompted Cuba to implement economic changes and an opening to the world allow you to maintain your own political model?

[Robaina] It is a very difficult, very complex situation, especially because we are living under great pressure. We have stated that we want to safeguard the essence: dignity, independence, sovereignty, and our right to have our own voice. As for the rest, we are engaged in an adjustment process that will allow us to survive in this world with dignity.

[Simeone] Excuse my asking, but it is not clear what the Cuban model consists of.

[Robaina] One that will be, especially, of its own....

[Simeone] What do you mean? Which are the answers? You seem to be improvising.

[Robaina] No, we have not improvised. A model, that many insist should have a name, is gaining shape. If we needed to call it something, we would call it "Cuban and feasible." I can assure you we are working under great pressure.

[Simeone] But, in the long run will Cuba end up implementing a free market system?

[Robaina] With such a broad economic process comprising mixed partnership, foreign capital investments, a state and central economy that is proving to be effective—in other words, a combination of many things. There is no rule stating that everything is privatized or that everything is public.

[Simeone] To what degree do you think this economic opening will lead to a political opening?

[Robaina] This has been the case in other countries, probably, because they were never as brutally attacked as Cuba. I am not saying they should act as the Cubans, but that we are acting under circumstances we have been forced to operate under.

[Simeone] Do you feel like orphans following the collapse of the socialist world?

[Robaina] For my country, my generation, for the Cubans, this has been a very harsh blow. I want to be sincere: For a long time we were use to contemplating a world that, all of a sudden, no longer existed.

You do not recover from that shock from one day to the next. To many of us it was a traumatic experience, but this does not necessarily mean we are without hope because that would imply admitting that our revolution is not authentically Cuban and this is not the case. We only have to pay for our own mistakes, not for the mistakes made by others. This, however, entailed the loss of a priviledged relationship that has been hard to accept. But we are not isolated.

[Simeone] Will the Cuban adjustment process entail the implementation of a capitalist system?

[Robaina] No. The Cubans have the advantage not only of having witnessed what collapsed, but also what was not done. At least it is clear that we are not going to follow that path. Many countries desperately yielded a lot of what they had conquered in the belief that they were going to achieve their objectives very past. If it is difficult to go from a capitalist to a socialist system, it is even more difficult to go from a socialist to a capitalist system.

[Simeone] But there are examples such as the Czech Republic.

[Robaina] It is a matter of seeing how they are adapting to some things and to what extent they are regretting many other things they lost. Therefore, I do not believe any of the systems are completely pure, I would rather explore a path similar to the one Cuba has taken. The Cubans want to do what our circumstances demand we do, without the intention of exporting anything. For example, now we are carefully assessing the Chilean and Vietnamese experiences but, no matter how important they may be, the first thing we would have to do is to study the possibility of tropicalizing them.

[Simeone] You are engaged in a rapproachment process with the Americas but have criticized the OAS. Does Cuba want to join the OAS?

[Robaina] I do not want you to believe that an integration process with Latin America necessarily involves the OAS. In our opinion, the OAS continues to be an institution that lacks authority, independence.... Starting the integration process through the OAS is not a priority issue for Cuba. We were expelled from the OAS under conditions and pressure we never have accepted or will

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accept. That is why I maintain that Cuba does not have to beg to be allowed to rejoin it.

[Simeone] The OAS has discussed reconsidering Cuba's situation. Would you agree to be accepted again as an OAS member?

[Robaina] If there is a consensus in this regard, naturally. We would not place any obstacles.

[Simeone] What do you think about Cesar Gaviria as future OAS secretary general?

[Robaina] Interesting. Cuba shares a relationship with Gaviria; it is aware of what Gaviria achieved in Colombia and what he wants to do within the OAS. There is nothing Cuba would like better than for him to be successful. It is also a matter of seeing whether or not the OAS wants Cuba as one of its members.

[Simeone] The demand for democratization is not only made by the United States, but also by the entire Ibero-American community, which, in the latest Cartagena de Indias summit, clearly voiced its position to Castro.

[Robaina] It would be interesting to know how a closed meeting became an open meeting. Therefore, if that was the case, we should come to an understanding to talk about everything that was said in that summit. In the closed meeting, we all voiced our positions; in other words, it was not only voiced to an individual and to a country. And if we want a concert, we must admit that there are different opinions.... Cuba has no fear of openly discussing everything about democratization and human rights. What we would never accept is that the discussions only deal with Cuba when Cuba has a great deal to say and to ask other countries about those issues.

[Simeone] On the issue of human rights, Cuba does not have the same support it obtained with regard to the need to have the blockade lifted. Can the entire international community be wrong regarding the human rights situation on the island?

[Robaina] No, it did not get the same support, but it is a fact that the entire international community is not condemning Cuba. Regarding the human rights issue, it would also be useful to achieve an understanding to carry out a profound study of what the human rights policy is in order not to allow the countries that gave human rights a highly politicized, selective, and discriminatory component to lead this campaign if we want to discuss this issue with seriousness in the United Nations. I believe human rights policy is more than just the condemnation of human rights made by the rich against the poor and the application of the same standards to all when, economically speaking, a large part of the world does not know they are humans, when there are millions who do not know how to read or write the words human rights.

[Simeone] Are human rights violated in Cuba?

[Robaina] I would say that the work done for human rights that is seen in Cuba can perhaps be seen only in a very few countries. We began a conflict 34 years ago for the human rights of 10 million Cubans. And we have not stopped struggling for the right to live, to work, to get an education, to learn science, to enjoy health. Perhaps in the so-called political freedoms Cuba....

[Simeone] They are also human rights....

[Robaina] ...is the only field, in the political and civil freedoms, about which it has been said that Cuba has restrictions. In the political field there have been and are restrictions in Cuba which are basically motivated by a permanent pressure to divide us.

[Simeone] Is that why the existence of other political parties is not allowed?

[Robaina] We chose a single party model due to a threat against the country, and only this unity allowed us to win.

[Simeone] Perhaps that threat has not disappeared but the conditions and times have changed....

[Robaina] The conditions in the world, in the Americas, have changed but the threats against Cuba have not. I would say there are now more reasons than ever to unite more firmly. I heard from the countries of the Americas demands that are quite different from what the United States would want. I would like to explain to the Americas why Cuba does not experience any of the situations of the other countries of the continent because while they have privileged relations with the United States, Cuba continues to be discriminated against.

[Simeone] When the community asks for signs of democratization, what changes is the Cuban regime willing to make?

[Robaina] I believe that would lead to a closed and larger discussion than the one we held in Cartagena, because one would even have to see what is being done in the world in the name of democracy. There are many conceptions and, if it involves the Americas and its unity, I believe Cuba would be willing to go very far.... What we would not be willing to surrender is independence and sovereignty.

[Simeone] In other words, is there any possibility of changing the current system?

[Robaina] I believe Cuba has already made many gestures. What happens is that one should see what gestures are wanted.... With regard to economic liberalization, Cuba made the greatest gesture when no one thought it would do so. It opened its economy to foreign investment, it depenalized foreign currency, it liberalized work, it handed over land to peasants, it restructured the state administrative system, it opened dialogue with the Cubans living abroad.... And some people only continue to demand that Cuba adopt the multiparty system....

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[Simeone] And free elections.

[Robaina] The thing is that we have other free elections which I believe the Americas are not aware of.

[Simeone] But, would Castro be willing to compete in elections?

[Robaina] We have a different system; we do not have a presidential system. Parliament elects our president. Fidel Castro is willing to do much more than that. It is not that he is willing to compete with others in an election. What he said is that he has no interest in remaining in power forever. If the problem were only Fidel, it would be easy, but the problem is that the idea is not to install in Cuba a multiparty system, the existence of 17 parties, but the existence of another system to put an end to the system that made the project we defend, and we are not willing to go that far.

[Simeone comment prior to a question] "Robert" enjoys playing, and his hobby is to ride a bicycle, which he uses to go to the Foreign Ministry every day.

[Simeone] What do you do when you have official visitors? Do you meet them on a bicycle?

[Robaina] Of course not. I am not only a minister on two wheels. I did not change my normal way of my life. I do not receive the diplomatic corps on a bicycle or welcome ministers on a bicycle.

[Simeone comment prior to a question] And this minister of the new generation played the game of association of ideas. This is the result:

[Simeone] Fidel?

[Robaina] Revolution.

[Simeone] Chile?

[Robaina] A country for which we feel profound respect.

[Simeone] Democracy?

[Robaina] Participation of all.

[Simeone] Hunger?

[Robaina] Something we must eliminate once and for all.

[Simeone] The United States?

[Robaina] A powerful neighbor.

[Simeone] Guantanamo?

[Robaina] A stabbing knife.

[Simeone] God?

[Robaina] To bless us a lot.

Commentary Denounces Radio, TV Marti Broadcasts

PA0709203594 Havana Radio Havana Cuba in Spanish 0000 GMT 6 Sep 94

[Commentary by Roberto Morejon from the "Evening Information Review" newscast]

[Text] By way of its anti-Cuban broadcasts, the United States continues to flaunt its monopoly of the media with the objective of imposing the values, lifestyle, information, and conduct it is determined to engrave into the minds of its potential listeners.

Cuban authorities revealed a few days ago that the so-called Radio Marti had increased its shortwave frequencies to 26, while medium frequencies increased to three. In addition, Television Marti broadcast schedules also had been increased with the intention of beaming the signal to more Cuban receivers. Despite all of this, jamming attempts implemented by the island's technicians have so far been able to block these broadcasts.

In this manner, the United States is intensifying its invasion of Cuba's airwaves, despite government condemnation of an activity that represents a flagrant violation of international agreements regulating communications.

Cuba views this interference within the context of a sovereignty issue unrelated to the free flow of information, to which it has no objections. Evidence of this lies in the fact that Cuba allows the Voice of America, as well as other shortwave frequencies, to be received unimpeded over any Cuban radio.

The crux of the matter is that Radio and Television Marti are invading the Cuban airwaves with the political goal of promoting dissatisfaction, unrest, and even confrontation between the people and the authorities, and this is being done after encouraging illegal emigration for several years.

Additional evidence that Radio and Television Marti are being used to strictly support the White House's political and anti-Cuban interests lies in the fact that recently the messages broadcast by both services abruptly changed their content. Now, instead of promoting illegal emigration, they are trying to deter any such actions. Despite this, the new messages have not been able to turn back those people still being wooed by the encouragements received up until a few days ago.

Cuba has denounced this latest strategy by the United States to impose subversive messages. This strategy consists of allowing commercial stations in southern Florida to use antennas and transmitters far stronger than those normally needed for local broadcasts. The objective behind all of this is to enable the signal to be received in Cuba. In addition, U.S. telecommunications authorities have allowed unlicensed shortwave stations

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to broadcast from the United States and to use frequencies intended for amateur radio and civil defense purposes.

In addition, Cuba's television Channel 13 has been taken over by the ill-named Television Marti and transmits signals in open violation of International Frequency Registration Board regulations.

These activities confirm Cuba's and the Third World's anxiety over the industrialized nation's ability to exert unwelcome pressure over the lives of other nations and to distort reality in accordance with its respective interests by way of its technological and financial superiority.

Aside from any technical reasons the United States might use to explain its invasion of the country's airwaves, Cuba reiterates its charges concerning these unwelcomed broadcasts' flagrant violation of principles outlined in the UN Charter and other international legal instruments.

Ross Lists Economic Efficiency Assemblies Issues

FL0109172694 Havana Radio Rebelde Network in Spanish 2300 GMT 31 Aug 94

[From the "Exclusive" program]

[Text] The mass process of Assemblies for Economic Efficiency will begin on 15 September. To this end, an entire program of cadres' training is being conducted at diverse levels of the union movement. This was announced this afternoon by Pedro Ross Leal, secretary general of the Cuban Workers Federation. Ross stated during a news conference that the main issues of this preparatory phase for union leaders are efficiency, reassignment of surplus workers, union elections, how to conduct the assemblies, and social security taxes, among others.

[Begin recording] We place great importance on this preparatory process since it will allow us to teach union leaders the principal aspects of issues as novel as contributions to social security, an issue with which not many are very familiar. In addition to the media efforts, the newspaper TRABAJADORES has recently published several articles on the issue and will carry a few more in future editions. [end recording]

Ross also referred to the forthcoming assembly process and called for eliminating the shortcomings of the previous process.

[Begin recording] One of the problems of the previous process of assemblies is that on many occasions, higher-level administrators were absent. Factory or enterprise managers were present, but higher levels were not represented. I did not see any at the meetings I attended. We want this to truly become... [pauses] This cannot be a formal thing. We already harvested the fruits of formalism and we cannot afford it at this time. We believe this debate is going to be significant, if we do it the way it is supposed to be done, with efficiency, supporting the economic knowledge of the workers, and establishing positive work habits. This should be done in addition to the mechanisms that will be implemented. This in itself cannot put into motion everything we want to do. [end recording]

'Tax System Will Be Implemented Gradually, Slowly'

FL0109174694 Havana Radio Rebelde Network in Spanish 1155 GMT 1 Sep 94

[Interview with (Joaquin Cambaras), adviser to the Revenue Office of the Finance and Price Ministry, by Mariela Diaz; place and date not given; from the "Doing Radio" program—recorded]

[Text] The first of the taxes approved in the recent session of the National Assembly of the People's Government [ANPP] are ready to be implemented in October, and as expected, many people are wondering if this is not the most difficult juncture at which to be restructuring our tax system laws.

[Begin recording] [(Cambaras)] This is a complicated question. I think that aside from the issue of the time in which this restructuring is taking place, it is necessary, even over and above certain circumstances that we currently have. It can seem absurd in view of Cuba's present complicated economic situation to begin a project as complex as the restructuring of our tax system. This is particularly evident when tax restructuring is not only influenced by the capacity or conditions that the government has for achieving it, but the amount of human and material resources required to complete such a complex task.

I think it was necessary and inevitable, given the turn our economy has taken, to seek a tax system that not only serves as a method of revenue—many people believe that a tax system is useful only for collecting money or eliminating excess currency—but we think that the tax system must seek to establish and regulate our economy, regulate the relations between government and enterprise, and between government and taxpayers. I believe it is very important that taxpayers, we the citizens, conscientiously participate in solving Cuba's social problems. One way to do so is through paying taxes, just as everyone else does, worldwide.

[Diaz] When will the first taxes, included in the bill approved by the ANPP, go into effect?

[(Cambaras)] The law—to use the right terms—is Law No. 73, approved by the ANPP on 4 August 1994, and is entitled: Tax System Law. What the law stipulates does not go into effect [passage indistinct] ....and published in the official gazette, points out that the tax system will be implemented gradually, slowly, as conditions allow—in other words, when conditions are ripe for implementing a specific tax. In this sense, the first taxes that will be implemented are personal income taxes, document

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taxes, rates for posting announcements and commercial advertisement, and airport service taxes that will begin 1 October. [end recording]

New Labor, Salary Regulation Effective 1 Sep

FL3108170994 Havana Radio Reloj Network in Spanish 1406 GMT 31 Aug 94

[Text] The Labor and Social Security Ministry resolution on labor and salary prerogatives for displaced workers, which seeks to better reflect the current economic situation, will go into effect on 1 September. This resolution replaces the previous one on workers who were relocated due to a shortage of raw materials and fuel, organizational or institutional changes, or reduction of slots. The new resolution states that the main goal in reassigning the displaced personnel is to fill available slots or work in jobs essential for the workplace. The regulation considers the permanent or temporary reassignment to slots for which the worker is qualified, temporary assignment to social or economic projects, or registration in training or retraining courses.

Displaced workers will receive 100 percent of their salaries for the first month. During the following months, or until reassigned, the workers will receive 60 percent of their usual salary. The amount is dependent on time in the job. Workers who had been employed for one year will receive salary compensation for six months. Workers with between one and five years of employment will receive 12 months of salary compensation. Those with between five and 10 years of employment will receive compensation for up to 18 months. Workers with between 15 and 20 years of service will receive salary compensation for up to 30 months. Workers with over 20 years of service will receive salary compensation for up to 36 months.

Workers unable to find a job by the end of these periods, may sever labor ties with the workplace and have the right to receive a subsidy of 60 percent of their salary.

Scientific, Technical Accords Signed With Venezuela

FL0209115894 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0000 GMT 2 Sep 94

[From the "NTV" newscast]

[Text] Venezuela and Cuba signed several scientific and technical cooperation agreements during their third bilateral meeting, which ended in Caracas today. Roberto Rivas, director of the American's Desk of the Cuban Foreign Trade Ministry, called the results of the meeting very positive, adding that the agreements are related to major economic development sectors in both countries. The cooperation agreements include vital sectors, such as health, biotechnology, planning, industry, agriculture, and finances.

Radio Reports Labor Party Reportedly Wins Barbados Elections

FL0709210794 Havana Radio Reloj Network in Spanish 1949 GMT 7 Sep 94

[Text] The Barbados Labor Party [BLP] won by a landslide in yesterday's elections against the incumbent party. Barbados is experiencing economic problems and discontent. Preliminary results indicate that the Labor Party secured 20 Parliament seats, while the Democratic Labor Party got seven and the National Democratic Party got one. Prime Minister Erskine Sandiford, who called for elections a few months ago after having lost a vote of confidence, will be replaced as head of his political party by 33-year-old Finance Minister David Thompson. The BLP victory should result in the appointment of 44-year-old Owen Arthur as prime minister. Barbados has an unemployment rate of approximately 27 percent.

[Kingston JBC Network in English at 1700 GMT on 7 September adds that Billie Miller has been named deputy prime minister and that 9 September has been declared a public holiday in Barbados. JBC, monitored with poor reception, was also thought to be heard reporting that David Simmons had been named attorney general.]

Inter-Caribbean Affairs

Antilles Entrusted With Sint Maarten Supervision

BR0709122994 Amsterdam DE VOLKSKRANT in Dutch 3 Sep 94 p 7

[Excerpt] At the end of September, the Netherlands Antilles will become responsible for the supervision of Sint Maarten. This is the result of talks conducted between Antillean Prime Minister Pourier and [Netherlands Defense] Minister Voorhoeve, who is in charge of Antillean and Aruban Affairs.

Because of the administrative chaos, Sint Maarten had been under strict control of the Netherlands and Antillean Governments since 1992. The objective is to entrust the Antillean Government with the full supervision from 30 September onwards. Within a period of one year, the island's organization and administration should then be straightened out, Pourier stated in The Hague last Friday [2 September]. [passage omitted]

Bahamas

Government Decides on 50-Man Peacekeeping Contingent for Haiti

FL0709180894 Nassau Bahamas Radio Network in English 1130 GMT 7 Sep 94

[Text] Senior officials of the Royal Bahamas Defense Force and the Royal Bahamas Police Force engaged in

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high-level talks with Prime Minister the Right Honorable Hubert Ingraham and cabinet ministers yesterday to decide on The Bahamas' role in the multinational force to implement United Nations Security Council Resolution 940 on Haiti. It was decided that 35 Defense Force officers and 15 police officers will participate in the force in a noncombat capacity. We have a report:

[Begin unidentified speaker recording] This office yesterday advised that The Bahamas Government has agreed to participate jointly with other Caricom states in the noncombat aspects of the implementation of the United Nations concert action to restore the democratically elected government of Haiti. The decision by the government paves the way for 35 members of the Royal Bahamas Defense Force to join the Caricom group expected to arrive in Haiti following the removal of the military-backed regime and the restoration of the democratically elected government of President Jean-Bertrand Aristide. The Caricom contingent will be involved in peacekeeping activities. The Bahamian participants will join their Caribbean counterparts in Puerto Rico later this month to begin joint training exercises with United States coordinators. Additionally, up to 15 members of the Royal Bahamas Police Force are expected to also form part of a Caricom police contingent, to be involved with civilian police training in Haiti. Such training is believed to be critical to the creation and maintenance of a stable environment in Haiti following the removal of the present illegal regime. The participation by The Bahamas in this regional activity culminates years of efforts by The Bahamas Government to sensitize the international community to the oppressive social and economic conditions in Haiti.

It was recalled that The Bahamas continues to receive significant numbers of Haitian nationals who leave Haiti in hopes of improving their economic and social conditions through entry to the United States of America. The Bahamas Government believes firmly that a resolution to the political problems of Haiti will positively impact on the illegal Haitian migration problem of The Bahamas. [end recording]

Haiti

De Facto Foreign Minister Welcomes Free Elections

PY0809014094 Rio de Janeiro JORNAL DO BRASIL in Portuguese 7 Sep 94 p 14

[Article by Marlise Ilhesca]

[Text] Port au Prince—"Not only for being one of the most important Latin American countries, but also for having faced a political rupture in which the military sector participated, Brazil has the best credentials to understand what is going on in Haiti and to urge the international community to help us avoid an invasion that later would never be erased from the continent's history."

This is what Charles David thinks. David is one of the most respected Canadian journalists. Three months ago he accepted the controversial position of the Haitian foreign minister at the invitation of Haiti's President Emille Jonaissant [as published], whose administration has not been recognized by the international community. This weekend, Foreign Minister David talked over the phone with JORNAL DO BRASIL.

"We must put an end to this myth that the military do not want to leave power. This is a point of view scandalously manipulated by those who are not interested in a political solution to the problem. The president has reiterated that everything is possible, but we cannot give up our sovereignty," the minister said. He thus reinforced the thesis that, after three years of constitutional rupture, only new elections can lead the country back to normalcy.

"We want free and democratic elections and have the firm intention of accepting any result." According to Charles David, it has been agreed that the regime will accept even the victory of a candidate of the Lavalas, the popular front that supported the candidacy of the ousted president.

Election Returns

Minister Charles David pointed out that several publications, such as the AMERICAN SPECTATOR, have expressed doubts regarding the election returns that led Aristide to the presidency. After all, one hour before the ballot boxes were closed, a French radio station already announced Aristide's victory with 67 percent of the votes, although hundreds of ballot boxes were still sealed at the Electoral Council.

The minister rejects any insinuation that the government in office or the military participated in last week's murder of Father Jean Vincent, one of President Aristide's collaborators. "What interest would the military or the government have in an incident such as this? We are not crazy."

Finally, the minister deemed the recent support for the United States on the part of Jamaica, Barbados, and Antigua and Tobago "deplorable." "It is not surprising that these small Caribbean countries express solidarity with foreign aggression. After all, we Haitians, unlike these neighbors, but like most Latin American countries, value the freedom that has been gained with the blood of our peoples."

According to David, the participation of new interlocutors in a dialogue with President Jonaissant's administration is fundamental to prevent an invasion, and the organizations that seem most adequate for this are the Latin American Parliament (Parlatino) and the Vatican (its lack of links with the United Nations creates space for negotiations without the pressure of decisions previously adopted by the international community). "Through the Haitian Episcopalian Conference, the

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Church was the first organization to condemn UN Security Council Resolution 940, which authorized the invasion," David said.

Participation

As the minister explained, a clear sign that the Latin American countries are actively searching for a solution to the crisis was the invitation made by the Parlatino for Haiti's participation in the next Parlatino meeting, which is scheduled for September in Copenhagen.

As to the possibility that the Vatican participate most actively in the discussions, the minister does not deny or confirm the report JORNAL DO BRASIL obtained from nonofficial sources about negotiations being conducted for the appointment of a representative of the Jonaissant government to the Vatican. The most frequently mentioned name for the position is that of Paul Cassagonon. Cassagonon is a former diplomat, now in his seventies. Cassagonon lives in the United States, where he enjoys a great deal of prestige among moderate intellectuals and politicians.

Provisional Ministers Discuss 'Extraordinarily Shaky' Economy

FL0709234794 Port-au-Prince Signal FM Radio in French 1030 GMT 7 Sep 94

[Report on news conference by provisional Finance Minister Georges Henri Fils and provisional Commerce and Industry Minister Roger Lange at the Commerce and Industry Ministry on 6 September; Fils and Lange remarks recorded]

[Text] [Correspondent] The Finance Ministry, the Commerce and Industry Ministry, and the Central Bank have explained the provisional government's latest economic measures at a joint news conference. Finance Minister Georges Henri Fils noted the government's reasons for issuing the 2 September order:

[Fils] We have set goals on lowering prices, short and medium-term drops in prices. We have set goals on the exchange rate, goals aimed at stabilizing the exchange rate or at reducing the exchange rate's growth. We have seen that the exchange rate can grow out of proportion and make surprising leaps. We identified the factors that influence those indicators: The price indicator and the exchange rate indicator are influenced by a certain number of, I would say, interventions, budget interventions, if you like. It cannot be denied that deficit is one of the factors that influences prices and exchange rate behavior. We intend to...[pauses] We hope that we will not have to call on the Central Bank to create money nearly as often as we do.

[Correspondent] The commerce and industry minister painted what he called a dark picture of the Haitian situation in the wake of the UN embargo and Resolution 940. He pointed out that the Haitian economy has never been so bad:

[Lange] The country has experienced uncertainty and anxiety due to an unfair, inhumane, quite arbitrary, and criminal embargo. The economy has been weakened to the point that it is extraordinarily shaky. The situation gets more complicated for most people with each passing day, people who have almost no purchasing power yet who must [words indistinct] a dramatic increase in the prices for essential products, a chronic budget deficit following the insufficiency of the fiscal receipts, and the local currency's worrying depreciation.

Radio Cites U.S. Sources on Guantanamo, Panama Camps

FL0709232394 Port-au-Prince Radio Metropole in French 1600 GMT 6 Sep 94

[Text] U.S. authorities expressed their concern yesterday over the growing frustration among Haitian refugees on the naval base at Guantanamo Bay, Cuba, following a violent demonstration on 4 September. Six U.S. soldiers were slightly injured by flying rocks while trying to contain a demonstration of about 50 Haitian refugees who became angry upon learning that Panama was getting ready to receive 10,000 Cubans. A Haitian adolescent who suffered a skull fracture and had to be sent to a Miami hospital was reported in stable condition on 5 September.

Lieutenant (Duplesy), one of the people in charge, pointed out that the violent demonstrations involved only a small group of Haitian refugees and that only five percent of refugees participated in the 13 August demonstration. It should be recalled that 722 Haitians demonstrated by throwing stones at security staff, slightly injuring 20 U.S. soldiers and 45 Haitians. He added that only two percent of the refugees demonstrated, while the rest understand that the authorities are doing their best.

U.S. authorities are trying to communicate with refugees to ease the frustration. Lieutenant (Duplesy) said that earnest attempts are being made to communicate with the refugees through newspapers and radio broadcasts twice a week.

U.S. soldiers at U.S. bases in Panama began preparing to receive 10,000 Cuban refugees on 4 September as part of Operation Sure Refuge, which will cost Washington $35 million. The media was allowed to visit one of four planned camps—Empire Range, located in a hot and humid area 15 kilometers from the Panamanian capital. A poster at the entrance reads in Spanish: Welcome to Sure Refuge Camp Number One. The entire site is fenced in with barbed wire and protected by a battalion of U.S. military police. Panamanian government sources have said that the refugees are due to be airlifted from the U.S. base at Guantanamo. A military spokesman has said that each refugee will receive a sleeping bag, clothes, shoes, and personal hygiene products. Camp Commander Lieutenant-Colonel Jean Greenwood said that the installations will be ready on 6 September and will include ten sections of 18 tents that will hold 14 people

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each. The camp also has a clinic, a shower, a canteen, a prison, and a recreation area. A press center for journalists will complete the package.

A document from the U.S. Southern Command describes Cuban balseros as migrants, avoiding the term refugee. The document adds that migrants will arrive at Howard Air Force Base, 30 minutes from the camp, and will be given medical examinations immediately. The document did not specify if the Cubans will have access to telephones or other means of information or if they will receive visits from relatives. Panamanian firms and U.S. Army engineers are working to prepare the other three camps within 15 days. Panamanian Foreign Minister Gabriel Lewis Galindo has said that the operation will cost the U.S. Treasury $35 million, according to the agreement that the two governments signed on 3 September after three days of negotiations. The United States will be responsible for the 10,000 Cuban balseros, under the supervision of the United Nations, the Panamanian Government, and the Panamanian Human Rights Committee. The agreement states that Cubans will stay in Panama no longer than six months.

Expert Notes High Rate of Abortion-Related Deaths

FL0709221894 Port-au-Prince Radio Metropole in French 1600 GMT 6 Sep 94

[Excerpt] Haiti will not participate in the International Conference on Population and Development [ICPD]: Visa problems prevented members of nongovernmental organizations who planned to attend this international conference from leaving Port-au-Prince for Cairo. Professor Daniele Tardieu Bazin, a member of this delegation, deplored the fact that Haiti will miss this important international meeting. She noted that Haiti faces some serious overpopulation problems and that abortion—a much debated topic at the UN conference—is clearly on the rise in Haiti, particularly among very young Haitian women. She said that many Haitian women die during abortions performed under inadequate conditions:

[Begin recording] [Tardieu] Haiti's population problems are enormous. We live in a no-man's-land. The main thing about Haiti's population...[pauses] I speak as a sociologist. It is important that sociologists voice their opinions on this subject. It is at the heart of development, at the heart of society. Population is linked to the study of societies. Many very serious studies recently revealed that the number of abortions performed illegally and in secret in ill-equipped clinics and in nonhygienic conditions is increasing. The number of teenagers involved has risen to the point that the total number of women who die during these kinds of abortions is enormous: 465 out of every 100,000 women in Haiti die during abortions. This is the highest number in the world.

[Correspondent] We heard about the UN-Vatican debate over abortion. How do those who work with women in Haiti deal with this problem?

[Tardieu] One reason for this conference raising such a stir is that for the first time, more than at any previous conference—this is not the first time that a population conference has been held—the organizers have learned to link population, women, development, women's rights, human rights, population problems, and reproductive rights—now called genetic rights, meaning the right to choose to reproduce when you want. Those questions will be at the heart of the problems to be discussed in Cairo. [passage omitted] [end recording]

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Cubans Taken To Mexico City; Government Prepared for More

PA0709154394 Mexico City Canal 13 Television Azteca Network in Spanish 1300 GMT 7 Sep 94

[From the "Early Morning" newscast]

[Text] The Cuban rafters who arrived in Quintana Roo between Sunday and Monday have been transferred to Mexico City, where they will stay until their migrant status is resolved. It has been reported that in the past seven days, 85 Cubans have arrived in Mexico aboard rafts whose final intended destination was the United States. Quintana Roo Governor Mario Villanueva Madrid said the state has sufficient infrastructure to receive all these Cuban rafters. Here is a report by Gerardo Segura:

[Segura] Cuban rafters continue to arrive in Mexico. So far, 150 Cubans have arrived on the coast of Quintana Roo in five different groups. All are given the necessary medical attention, lodging, and food. Quintana Roo Govenor Mario Villanueva Madrid said this situation does not represent any problem for that state.

[Begin Villanueva recording] We have sufficient infrastructure to deal with them. The state's northern area has sufficient installations to provide attention to people with problems like those of the rafters. [end recording]

[Segura] They are provided with temporary lodging. The final destination of the Cubans who have arrived in the country continues to be the United States.

[Begin Villanueva recording] Mexico is not their destination. They all want to go to the United States. [end recording]

[Segura] Mexico has received the Cubans as a humanitarian gesture. In this decision, the Mexican Government is acting independently and in accordance with its foreign policy principles. Responding to rumors, Governor Mario Villanueva said there is no pressure from any other nation with regard to this decision.

[Begin Villanueva recording] Above all, I think we must be respectful of the U.S. policy. As a state and as a country, I think we must limit ourselves to helping whoever arrives and provide for their needs. That is the policy of President Salinas. [end recording]

[Segura] Governor Villanueva said the permits to remain in the country, which were granted to the Cubans by the Government Secretariat, are sufficiently broad as required by each case.

Authorities To Investigate 7 Banks for Money Laundering

PA0709014194 Monterrey EL NORTE (Foreign Edition) in Spanish 1 Sep 94 p 1A

[Report by Cesar Castruita]

[Text] Sources from the Finance and Public Credit Secretariat [SHCP] and the National Banking Commission [CNB] have reported that some seven banking institutions will be the subject of special investigations by financial authorities for alleged involvement in money laundering.

The sources said that the banks' involvement in this illicit activity linked to drug trafficking and tax evasion appears to be unpremeditated.

"That is why authorities are taking measures to prevent this illegal activity from reaching proportions that could jeopardize the banks' stability and affect account holders and investors," the sources added.

They said that seven banks are facing this situation but did not reveal the names of the institutions because they do not want to obstruct the investigations and affect the entire financial system.

They said that the fight against money laundering intensified two years ago when the SHCP created a division exclusively to detect and fight this crime, adding that this division is under the Fiscal Prosecutor's Office headed by Roberto Hoyo.

Treasury banking directors admitted that authorities have worked with them in several areas to fight money laundering and that the joint sessions consisted of talks and recommendations to detect the crime.

As a result of this cooperation, the banks have adopted internal regulations, including one stipulating that no bank official will independently authorize large cash transactions.

As for the framework of regulations, in addition to toughening the sentences for those involved in this illegal practice, the banking institutions are no longer prosecuted, only the officials involved.

Article 115 of the Fiscal Code stipulates three to nine year prison sentences for anyone who conducts illegal financial transactions or who transmits, hides, or omits information on illegal money or assets, including banking officials who facilitate these operations.

The CNB distributed to the banks a manual on the prevention of money laundering which focuses on all transactions involving large sums of money and unusual behavior by clients, bank employees, or officials.

The sources questioned admitted that despite some achievements, Mexico still has a long way to go to efficiently confront money laundering.

CNB directors also expressed their concern about the many credit and market risks run by the banks.

Authorities Intervene in 3 Financial Institutions

PA0609161894 Mexico City XEW Television Network in Spanish 0430 GMT 6 Sep 94

[From the "24 Hours" newscast]

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[Text] The Finance and Public Credit Secretariat today announced the administrative intervention into three financial institutions: Grupo Financiero Cremi Union, Arendadora Financiera Pragma, and Afianzadora Mexicana. The administrative interventions, which were implemented by the National Banking Commission and the National Insurance and Guarantee Commission, were decreed when irregular operations were detected. The administrative intervention means that all of the directors of the financial institutions in question were immediately replaced.

The Attorney General's Office filed criminal charges and issued arrest warrants against Carlos Cabal Peniche, president of Banco Union's Board of Directors, and other Banco Union officials; Mauricio Madero, president of Arrendadora Financiera Pragma's Board of Directors, as well as other officials; and Hector Gomez and Eduardo Hernandez Torres, legal representatives of companies that allegedly conducted suspect operations with Banco Union. The intervention also affects the comptroller of Grupo Financiero Cremi Union, who is also the comptroller of other financial institutions, including Banco Union, Banca Cremi, Arrendadora Union, Factoraje Union, Factoraje Cremi, Casa de Cambio Union, Casa de Cambio Chelini, and Casa de Cambio Majapara.

With regard to Arrendadora Financiera Pragma and Afianzadora Mexicana, members of the so-called Pragma Group, the intervention was prompted by the existence of alleged illegal operations.

Finance Secretary Comments

PA0709134294 Mexico City XEW Television Network in Spanish 0430 GMT 6 Sep 94

[Interview with Pedro Aspe, finance and public credit secretary, by News Director Jacobo Zabludovsky in Mexico City; from the "24 Hours" newscast—live]

[Text] [Zabludovsky] Mr. Secretary, what were the circumstances that prompted the Finance Secretariat to intervene in the Cremi Union Group?

[Aspe] To be specific, the National Banking Commission, which is the organization that oversees banks, detected a number of irregular transactions at Banco Union, whose board president is Carlos Cabal Peniche. These irregularities were detected during the commission's regular monitoring activities. Basically, these operations forced the bank to alter its accounting procedures, because it actually wanted to hide the true nature of these transactions. In short, this is what bank officials did: Banco Union would grant a loan to a company, but the true purpose was not to grant a loan to the company. The company, in turn, would return this loan to the Banco Union board president. This is called a self-loan in financial lingo. Therefore, the irregularities consisted of seriously altering the bank's accounting procedures to hide these kinds of transactions.

[Zabludovsky] What was done then? What steps did the Finance Secretariat take?

[Aspe] We decreed an administrative intervention. According to Article 138 of the [words indistinct] Credit Law, when the supervising authority, in this case the National Banking Commission, detects substantial irregularities, it must decree an administrative intervention, which consists of replacing the bank's managers with a person appointed by the National Banking Commission; that is, a person appointed by financial authorities to replace the Board of Directors and to assist in two areas—helping the bank resume normal operations and helping authorities correct these irregular practices as soon as possible.

In this specific case, we appointed CPA Carlos Aguilar, who until 5 September was the comptroller general of one of the system's largest banks. He is an experienced banker with 40 years of expertise. He probably is the right person to rectify these irregular transactions.

[Zabludovsky] Going back to your first answer, Mr. Aspe, does this mean that a bank cannot lend money to its own stockholders or officials?

[Aspe] Mexican law is very specific in this regard. It restricts the possibility of banks granting credits to their own stockholders or officials. A number of requirements must be met before such loans can be granted.

What are these requirements? For instance, if a member of the Board of Directors wants a loan, he must have capital or reserves greater than those required for a stockholder or a third party. Second, the bank cannot grant a large number of these self-loans. Third, the Board of Directors must approve these loans to ensure that all other stockholders or board members are aware of these loans. What is the reason for this? Why do our laws restrict this type of transaction? Because in the case of a self-loan, bank officials could be less strict when granting loans to higher-ranking bank officials than when granting loans to third parties. This is why our laws are very specific in this regard and why they limit the granting of self-loans. In this case, none of these legal requirements were met.

[Zabludovsky] For the public, Mr. Aspe, and for the bank's customers, what does an administrative intervention mean? Should they be worried about their accounts or their deposits?

[Aspe] This is a very important question. What is more important here is that all depositors, the people who have deposits or who are creditors of Banca Cremi, as well as of Banco Union, have nothing to worry about. Why? Well, because the institutions—that is, Banco Union and Banca Cremi—are going to strictly comply with the terms of their agreed upon obligations. How are the banks going to do this? How can the banks and the administrative auditor guarantee that the depositors in either of these two institutions will not suffer any type of loss?

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We have a banking fund for the protection of savings, the so-called (Fogaproa). This fund was created several years ago with contributions required by law from all banks. All banks contribute every month to this fund. What for? This is in case an intermediary or a bank has a problem; the fund, (Fogaproa), immediately helps that bank strictly comply with what was agreed upon. Now, to sum it all up, no saver, no depositor, and no creditor of Banco Union or Banca Cremi has any reason to worry, because this special fund, this banking fund to protect savings—obviously, even its name indicates this—will act to support all operations of Banca Cremi and Banco Union.

[Zabludovsky] But, after this fund pays everyone who is a bank creditor, what will happen to the Cremi Union Group? Will it be liquidated or will it continue to operate?

[Aspe] When the administrative auditor is appointed, he has to help in two matters. On one hand, there are the normal banking operations, and on the other, he has to help the authorities determine whether there were other irregular operations, besides those already uncovered. Once this has been accomplished, these problems will be corrected. This will be done in part through the institution's own resources and, if necessary, with the support of this special fund. Later, what can be done, as has been done in other countries, is to proceed with the transfer of the institutions, the banks. In simple terms, the banks could be sold.

Once the banks are sold, the fund would be paid back for the money it provided. Nevertheless, all of this will be decided by the administrative auditor. This is why it is very important to act as soon as we get the proper documentation—we cannot act simply on suspicions—and to present evidence to the Attorney General's Office and possibly to the judge so that he can issue arrest warrants.

We already have this information. It was delivered, the judge took action, the administrative auditor is acting, the banks' problems will be corrected, and, in the end, these banks will likely be transferred; they will be sold. In any case, whether or not they are sold, whether or not they are liquidated, the depositors will not suffer any losses.

[Zabludovsky] Would you like to add something?

[Aspe] I would like to add three things, and I thank you for this opportunity. The first is that the financial institutions have to act in accordance with the law. We must obey the law, and we also have to ensure that the law is obeyed. In this case, the National Banking Commission is acting precisely in keeping with the law to safeguard the general public's savings. Second, and as I have repeated on several occasions, the savers, the depositors, and those who have accounts in these two institutions will not suffer any losses. Third, the National Banking Commission—the supervisory body of banks in Mexico—thoroughly reviewed each and every bank and decided that the only banks in which these serious irregularities existed were Banco Union and Banca Cremi. This is why we have only intervened in these banks.

Fortunately, we found the other banks to be solvent. We found they were fully complying with the [words indistinct] capitalization of Basel. Things appear to be in good shape. In these two banks, we found problems, and this is why we are here—to ensure that the law is obeyed. The instructions we have always received from the president of the Republic in this and other cases have been for us to act in accordance with the law. This is an important decision we have made today, and it has just one goal—to safeguard the interests of the public and to safeguard our financial system's solvency. This is why we acted with such speed.

Police Arrest Nephew of Gulf Cartel Leader

PA0709190394 Mexico City Radio ACIR Network in Spanish 0000 GMT 3 Sep 94

[Report by Jesus Casasola from the "Evening News Panorama"]

[Text] After intense investigations, the Federal Judicial Police [PJF] arrested Antonio Abrego Perez in the Narvate neighborhood in Mexico City. He is a nephew of Juan Garcia Abrego, chief of the Gulf Cartel, and a dangerous drug trafficker who was a fugutive from justice. Alejandro Diaz Ramirez, another member of the criminal organization, was also arrested in the operation by some 20 members of the PJF.

The Attorney General's Office [PGR] has reported that the Gulf Cartel operates mainly in the states of Tamaulipas, Chiapas, Nuevo Leon, and Campeche and has ties in Veracruz State. The PGR said that in the last three months, important members of this criminal organization have been arrested. They include Raul Valladares del Angel, a lieutenant of Juan Garcia Abrego, and Carlos Resender Bortoloussi, the financial brain behind laundering the Gulf Cartel's money.

The PGR said investigations continue since there are clues about the hideouts of other members of this dangerous group. It said that Jose Luis Escamilla Gonzalez, alias El Chacho, has also been arrested. This other member of the Gulf Cartel was the main contact between that dangerous drug trafficking gang and Colombia's Cali Cartel.

The PGR said that this blow further weakens the Gulf Cartel and that more arrests are expected in the next few days.

Secretariat Issues Guidelines on Imported Merchandise

PA0309190794 Monterrey EL NORTE (Foreign Edition) in Spanish 31 Aug 94 p A-21

[Report by Carlos A. Velasquez]

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[Text] The Commerce and Industrial Development Secretariat [Secofi] has issued the guidelines that will determine the country of origin of imported merchandise and the regulations for their certification as far as compensatory quotas are concerned.

The DIARIO OFICIAL DE LA FEDERACION published yesterday the requirements importers of merchandise in Mexico must meet from 1 September until 31 December 1994.

The certificates of origin will be issued by any individual or organization authorized to do so, and the manufacturer or producer of the merchandise will be able to issue such a certificate should the laws of the exporting country fail in this regard.

The free certificates of origin [certificados de origen libre] will have to meet less requirements than what they were formerly required to meet, while the hard certificates of origin [certificados de origen duro], used for shoes, textiles, and manufactured imports, will have to meet more requirements.

The information required by the certificates of origin for shoes, textiles, and manufactured imports must include the following: the country of origin of the merchandise to be imported and the name, signature, and registered address of the exporter or producer for fiscal purposes, as well as a description of the merchandise according to the data included on the invoice or document protecting the importation of the merchandise.

The free trade agreements signed with the United States and Canada and with Colombia and Venezuela grant Mexican authorities the authority to verify abroad the certificates of origin.

The certificates of origin for merchandise coming from Bangladesh, Cyprus, North Korea, the Philippines, Hong Kong, India, Indonesia, Macao, Malaysia, Pakistan, Singapore, Sri Lanka, and Thailand will be legalized. Secofi will update this list of countries.

Secofi is trying to detect those who are dodging the payments of compensatory quotas and supervise the evolvement of imports.

Those countries whose internal laws do not permit them to legalize the certificates of origin will be able to issue a document containing at least the same data contained on the certificates of the country of origin. The certificates of the country of origin will not be legalized in these cases, but the document legalized by those countries will be enclosed, stated the DIARIO OFICIAL DE LA FEDERACION.

The previous regulations on shoes, textiles, and manufactured goods were too flexible and allowed a wide range of discretion in the information presented by the importers. For instance, documents issued by the Cypriot Chamber of Commerce have indicated textiles were being exported from Taiwan, Russia, Austria, Hong Kong, Bulgaria, Czechoslovakia, and Poland.

Certificates of origin of Asian products signed by sales managers or by export directors of U.S. trading companies were previously submitted to Customs. The new regulations on the information that must be included on the certificates of origin are aimed at trying to prevent three party transactions, as well the dodging of payments of compensatory quotas.

Changes

DIARIO OFFICIAL DE LA FEDERACION published on 31 May 1994 the guidelines that would determine the country of origin for Mexican imports, which were scheduled to go into effect on 15 July 1994.

The 13 July 1994 issue of the DIARIO OFFICIAL DE LA FEDERACION reported the implementation of these guidelines had been postponed until 1 September 1994. The same newspaper published yesterday the changes made to the proposals Secofi presented on 31 May 1994.

Mineral products, textiles, chemicals, plastics, leather, fine art objects, wood, wood paste, shoes, stone goods, pearls, precious or common metals, electrical appliances, transportation materials, optical devices, and guns will have to comply with certain specific regulations.

Leading Foreign Trade Organizations To Merge

PA0709210294 Mexico City EL FINANCIERO in Spanish 2 Sep 94 p 18

[Report by Lourdes Gonzalez Perez]

[Text] At the end of October, the three leading foreign trade organizations—CEMAI [Mexican Businessmen's Council for International Affairs], Conacec [National Council of Foreign Trade], and ANIERM [National Association of Mexican Importers and Exporters]—will merge into one single entity, according to foreign trade representatives. With this, one of the main foreign trade proposals made at the beginning of the administration by Jaime Serra Puche, secretary of commerce and industrial development, will be fulfilled.

Nevertheless, it has not been determined which group will preside over this "superorganization," because the three groups are vying for the position. The goal is to appoint an individual from the nation's largest exporting companies to coordinate, through their vice presidents, the work that will be carried out by CEMAI, Conacex, and ANIERM.

It is therefore expected that during the foreign trade convention in November the creation of a single foreign trade organization will be announced.

Sources say the rules guaranteeing the effective functioning of this new organization are about to be concluded. Leaders of the foreign trade organizations noted

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that this new organization will offer greater support to exporting companies and foreign companies wishing to come to Mexico.

Among the primary functions of this new organization will be to work with the new government in advancing the deregulation of foreign trade.

The aim is to reduce export regimes (there is even talk of establishing one single regime) and, most important, to improve coordination in fighting deceptive trade practices that adversely affect national producers.

The new organization will place special emphasis on seeking competitive financing internationally in order to expedite foreign trade activities.

One source said that according to the outlined objectives, a "frontal assault should be waged against excessive bureaucracy and guarantees that currently hamper the allocation of resources to foreign trade enterprises."

The new organization, for which a position is being sought at the Entrepreneurial Coordinating Council, will also call on the next government to grant incentives similar to those offered to exporting companies in the United States and Canada, our main commercial partners.

In this sense, the organization will also promote the establishment of temporary programs that allow companies to "adjust" to the commercial opening.

On this note, sources explained, many companies that could have had the opportunity to begin trading overseas were unable to do so, because the economic opening has severely hurt them. "There was no timeframe for them to adjust their processes to the new conditions. This caused delays in their incorporation into foreign trade," one source said.

The new organization will "promote from below" the export sectors that have not developed in the country despite the intensification of international negotiations, the signing of commercial agreements with other nations, and the opportunities these agreements have opened to Mexican products.

Salinas: Debt Renegotiation Benefited People

PA0709190294 Mexico City XEW Television Network in Spanish 0430 GMT 3 Sep 94

[From the "24 Hours" newscast]

[Excerpt] Mexican President Carlos Salinas de Gortari said in Zacatecas today that the renegotiation of the foreign debt has benefited the Mexican people.

In a meeting with Mexican industrialists and within the framework of his two-day visit to Zacatecas State, Mexican President Carlos Salinas de Gortari briefly summarized his work as president for the past five years and nine months. The president admitted that during his presidency there had been differences, but said that we all have the same goals and intentions. We Mexicans are able to join forces without the need to force anyone to abandon his convictions to achieve our higher goals. Proof of this, Salinas said, has been the reduction of inflation, a measure which, he admitted, had a cost.

The Mexican president also talked about the reduction of Mexico's foreign debt as one of the greatest achievements of the Mexican people. This debt was a huge burden for us several years ago, he said.

In the meeting with industrialists, Salinas de Gortari talked about concerted efforts as fundamental to progress. He spoke about the need for harmony in the economic, political, and social fields as conditions that have made a strong nation out of Mexico. These conditions do not mean we are striving for uniformity while disregarding pluralism, Salinas said.

[Begin Salinas recording] We can work for similar goals despite our differences. This is what constitutes an authentic nation. Our Mexico is a nation because the strength that unites us and that led us to the polls on 21 August is the sense of responsibility of every Mexican, who joined the millions that went to the polls and that demonstrated that we have a sense of nation, of unity as Mexicans. We do have a future, not because there will not be any problems. There will always be problems, but Mexicans can prove with their actions that our size is bigger than our problems. [end recording]

Those were the statements of President Salinas during the industrial evaluation meeting held in Caleras de Rosales, Zacatecas. Industrialists and officials from Zacatecas also spoke. Mr. Juan Sanchez Navarro, vice president of the administrative council of the Modelo Group, also participated. He noted that President Salinas has promised that in the 90 days that are left of his government he will inaugurate a new industry each day.

[Begin Sanchez recording] Amid smiles and good humor, he told us 90 days are left of this government, and I want to inaugurate 90 new factories, one per day. He said it and gave us encouragement. We must believe him because he is a man who keeps his promises. We have an immediate example. [end recording]

During the event, President Salinas inaugurated the first phase of the construction of the Modelo brewery, where a total of $1 billion will be invested. This brewery will generate 4,000 direct jobs and 15,000 indirect ones. It will produce 15 billion liters of beer and will become the largest brewery plant in Latin America and the third largest in the world. [passage omitted]

PRD's Cardenas To Found 'National Civic Movement'

PA0709191994 Monterrey EL NORTE (Foreign Edition) in Spanish 2 Sep 94 p 18A

[Report by Francisco Betancourt and Miguel Angel Juarez]

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[Text] Mexico—By the end of this month, Cuauhtemoc Cardenas, former PRD [Party of the Democratic Revolution] presidential candidate, will found and head a "large national civic movement" that will group PAN [National Action Party] members, intellectuals, and even former PRI [Institutional Revolutionary Party] members—in other words, a movement in which his party will be just another political force.

PRD and civic group leaders agreed that the main concern of this movement, in which Cardenas would become a moral leader, will be the fight to help remove the state party regime and to promote a true understanding of democracy.

PRD Senator Roberto Robles Garnica pointed out that the group of non-PRD associations and citizens who supported Cardenas' candidacy has already become the foundation for this democratic movement, which will expand within the next few months.

"This movement will not accept the prevalence of the current rules of the political game that the system has played so far; this movement, whose main demand is the removal of the state party regime, which is the source of the antidemocratic life the country is currently living, will be consolidated more with each passing day," Robles said.

"Perhaps he will continue to be the leader of the Mexican democratic movement and the PRD will become an influential political force, along with the other forces that share this belief," Senator Robles added.

While being interviewed before a meeting with National Democratic Alliance members, Cardenas refused to talk with journalists about a possible merging of efforts by PRD and PAN members, who will aim at removing the state party system.

Although he said he does not foresee an alliance with Diego Fernandez de Cevallos, Cardenas explained that his position is to "smooth things over with whoever is willing to do this," and he added that he will fight for a democratic transition from the trenches of the organization, the group, and the mobilization.

PRD Social Action Secretary Rosario Robles underscored that the creation of this large civic movement is essential to maintain the objective of national democratization.

PRD Leader Slain in Chiapas Municipality

PA0709190194 Mexico City NOTIMEX in Spanish 0712 GMT 7 Sep 94

[Text] Tuxtla Gutierrez, 7 Sep (Notimex)—The murder of Roberto Hernandez Paniagua, president of the Municipal Committee of the Party of the Democratic Revolution (PRD) in Angel Albino Corzo, was confirmed last night by the Office of the Assistant District Attorney for Previous Investigations [Subprocuraduria de Averiguaciones Previas, SAP] at the PGJE [Office of the State District Attorney General].

SAP Director Miguel Angel Esquinca Molina said that investigation No. 63/02/994 has been opened into the crime of homicide against "whoever is found guilty."

He added that experts at the PGJE are reconstructing the crime in the municipality, located southwest of Tuxtla Gutierrez in Sierra Madre, Chiapas.

Meanwhile, PRD state leader Jorge Moscoso Pedrero announced that Hernandez Paniagua, an elementary school teacher, was shot to death at aproximately 0730 by as yet unidentified individuals while he was on his way to work, on the highway that connects Angel Albino Corzo Municipality with the San Nicolas neighborhood.

Likewise, the president of the PRD's State Directorate Committee (CDE) has disclosed that at that hour Enriue Murias, the party's municipal leader in Mapastepec, was detained by alleged members of the Federal Judicial Police (PJF). His whereabouts are still unknown.

The CDE president, who is also a federal deputy, said that PRD members in the municipalities of Angel Albino Corzo and Mapastepec are planning demonstrations in case the judicial authorities fail to solve Hernandez Paniagua's murder and establish the whereabouts of Enrique Murias.

Meanwhile, at an impromptu news conference in Mexico City, PRD Secretary General Mario Saucedo Perez denounced both incidents and demanded that state authorities resolve them.

Meanwhile, sources close to Cuauhtemoc Cardenas say the former PRD presidential candidate may meet today or tomorrow with Javier Lopez Moreno, governor of the southwestern state of Chiapas, for an exchange of views regarding the past elections in that state.

The same sources gave assurances that the meeting will be held "no later" than Thursday, because the former PRD presidential candidate plans to participate in the plenary session of the PRD National Council this weekend.

New Rebel Group Emerges in Chiapas

PA0709162394 Mexico City LA JORNADA in Spanish 1 Sep 94 p 15

[Report by LA JORNADA reporter Roberto Garduno Espinosa]

[Text] Tuxtla Gutierrez, Chiapas, 31 August—The political climate in the capital city of this state grew more uncertain this past Wednesday with the disclosure of several EZLN [Zapatist National Liberation Army] communiques. The situation became even more confusing following an "announcement" related to the rise of the self-styled Southeastern Revolutionary Insurgent Army [Ejercito Insurgente Revolucionario del Sureste] (EIRS),

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which is demanding the arrest of the last four state governors and a rejection of Ernesto Zedillo's and Eduardo Robledo Rincon's "fraudulent" victories.

Despite official silence and the apprehension among old guard politicians, a source "very close" to Governor Javier Lopez Moreno said there will be no turning back with respect to the election results. "There will be no changes. There will be no negotiations."

Nevertheless, speculation continues to grow in the Chamber of Deputies and Government Palace hallways and to flourish among politicians and public officials: "A third player is going to appear, and it will be neither Robledo nor Amado." Others point to "backup problem solver" Pablo Salazar Mendiguchia.

Speculation in this city continues to thrive, bets are being made, and the climate is becoming more tense. Word on the streets has is that the "real war" is just about to begin. Conversation around the region centers on the EZLN and other groups such as the Mexican Southeastern Revolutionary Peasants and Workers Front (FRECOM); People's National Liberation Movement; Zelote People's Army; the Francisco Villa People's Peasant Union; and now the EIRS.

Five Political Pressure Groups in the State

The EIRS sent a communique this past Tuesday to LA JORNADA and the local newspaper EL OBSERVADOR announcing that it supports the resolutions of the past General Democratic Council:

- The EIRS is a heterogeneous army composed of peasants, Indians, workers, students, teachers, and other vulnerable sectors of the state which, guided by a revolutionary spirit, join the struggle of the oppressed for the establishment of a people's democratic government.

- Our fighters will wear dark green uniforms with a white ribbon on the left shoulder and a red ribbon on the right shoulder so they will not be mistaken for civilians or members of the EZLN.

- The EIRS' is different from the EZLN, even though both groups share the same ideals and objectives.

- We demand that this nonproductive government heed the people's call for adequate housing, hospitals, schools, highways, electricity, financial assistance, land, respect for the Indian population, justice, liberty, and democracy.

- We demand the arrest and appropriation of all assets owned by callous former Chiapas Governors Jorge de la Vega Dominguez, Absalon Castellanos, Jose Patrocinio, and Elmar Setzer Marseille. These former officials used their political influence to massacre the Indian population, to torture and murder political activists, and to amass fortunes without regard for the people's suffering, poverty, death, or tears.

- We strongly reject Ernesto Zedillo's fraudulent election victory, as well as that of Eduardo Robledo Rincon, both of whom resorted to corrupt public officials, state and municipal authorities, spurious unions, government press, and religious leaders to pressure, manipulate, threaten, and cajole voters into voting for the PRI [Institutional Revolutionary Party]. In addition, they both engaged in antidemocratic conduct by buying off voters, offering gifts on the eve of the elections, and withholding opposition votes.

- We demand the arrest of Eduardo Robledo Rincon, one of the masterminds and accomplices behind the murder of several Indian leaders, peasants, and teachers. Robledo Rincon is also one of the masterminds of the Golonchan 1980 Indian massacre of more than 300 men, women, and children whose only crime was to demand land and liberty.

- Robledo Rincon is also a well-known racist who has always advocated Indian massacres.

—We propose the establishment of a government originating from the social democratic organizations and opposition parties.

The first EIRS communique stresses that it will "provide opportunities" for civilian society to decide its own destiny "in this land where the tyrant's brutality prevails." In addition, it warns that EIRS fighters "will enter into combat if they are attacked by this wicked government's army, or if there is no satisfaction" of their demands.

The name and signature of Commander Julio appears at the foot of the document.

In addition, Irma Serrano, who won the state's first minority Senate seat, arrived in this city and rushed to the governor's office, but not without first announcing that one of the first things she will do as senator will be to file a suit against Eduardo Robledo, whom she in her usual style described as a "bird of prey," because "I have not forgotten the three attacks against me three years ago."

It was also reported that in Yajalon that approximately 200 coffee growers led by Professor Cesar Lopez Trejo kidnapped four leaders of the Cardenist Peasant Federation, including Mariano Gutierrez Lopez and his brother Juan. Meanwhile, the highways linking Yajalon with El Recreo Ranch remain blocked.

At night in Tuxtla Gutierrez, the Eduardo Robledo Campaign Committee unveiled an ad that will appear this Thursday in the local and national press in which the governor elected by a decision of the local Congress calls on the four winners of the Chiapas Award—Eraclio Zepeada, Juan Banuelos, Elba Macias, and Oscar Oliva—and on Carlos Olmos and Carlos Jurado, the six members of the National Democratic Convention to:

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"Consolidate the great democratic change in our state; change everything society demands needs change; and build a new social pact in which the legal system is in line with the will of the people."

Indians, Peasants Mount Civil Disobedience

PA0709190594 Mexico City LA JORNADA in Spanish 3 Sep 94 p 1-12

[Article by Jose Gil, Roberto Garduno, Elio Enriquez, Candelaria Rodriguez, and Yolanda Lopez]

[Text] More than 20,000 peasants and Indians from nearly 40 municipalities in Chiapas yesterday staged the first actions of peaceful civil resistance. The peasants and Indians blocked the main highways in the state, marched and demonstrated, and occupied radio stations and the municipal presidency in Ocozocuautla, demanding that Amado Avendano Figueroa be recognized as governor of the state and opposing the arrival of Eduardo Robledo Rincon.

According to the organizers, protesters blocked main state highways from 0800 to 1800. Traffic was blocked intermittently on some of the national and international highways, for example the Pan-American Highway and the bridges at Ciudad Hidalgo and Talisman that join Mexico and Guatemala.

The government of Chiapas reported that the civil resistance actions took place without any incidents or confrontations. "There was no violence during the marches," said a report released by the state authorities.

In their first assessment, the members of the State Democratic Assembly of Chiapas People said no violent actions were reported during the various actions. They pointed out that, however, there was heavy police and military surveillance throughout the day, particularly in the municipalities of San Cristobal, Comitan, Ocosingo, Las Margaritas, and Altamirano, all within the conflict area.

The biggest demonstration took place in San Cristobal de las Casas, where more than 3,500 peasants and Indians from CEOIC [State Council of Indian and Peasant Organizations], coming from the municipalities of Altos de Chiapas, marched and staged a sit-down that ended with a cultural festival in Cathedral Plaza.

In Chenalho, nearly 3,000 peasants also staged a march and a rally at the municipal capital and charged they were not not allowed to vote. They demanded that Avendano Figueroa be recognized as "the head of a transition government."

Meanwhile, members of the PRD [Party of the Democratic Revolution] blocked for more than six hours the international bridges at Ciudad Hidalgo and Talisman that link Mexico and Guatemala. They also closed the Pan-American Highway in the coastal municipalities of Mazatan, Escuintla, and Pijijiapan, as well as in the Sierra Madre of Chiapas, Motozintla, Comalapa, and Ciudad Cuauhtemoc.

In attendance were more than 6,000 peasants, laborers, teachers, housewives, students, and professionals belonging to CIOAC [Independent Central Organization of Agricultural Workers and Peasants], the Emiliano Zapata Proletarian Organization [Organization Proletaria Emiliano Zapata, OPEZ], the Bloc of Proletarian Forces [Bloque de Fuerzas Proletarias, BFP], and the independent CEOIC. They agreed to establish People's Power Councils that will operate in parallel with the municipal town councils.

About 2,000 peasants belonging to CIOAC and the Committee of Poor Peasants peacefully blocked that same international highway leading to Guatemala, at the Comitan-Tzimol intersection.

There, members of OCEZ and of the Ayala Plan National Coordinating Board [Coordinadora Nacional Plan de Ayala, CNPA] warned that "if the government imposes PRI member Eduardo Robledo Rincon it will be provoking war, destitution, hunger, exploitation, and repression instead of peace."

A leaflet issued by OCEZ and CNPA members states that "today we say no more to the mockery of the people's will by the PRI [Institutional Revolutionary Party] and much less in our State of Chiapas, where civilians voted for a transitional government headed by Amado Avendano Figueroa and for the creation of municipal councils to attain a democracy in which the people decide their own fate."

Meanwhile, in the state capital some 300 PRD militants demanded the resignation of Governor-elect Robledo Rincon "because he was the product of a fraud, of an imposition, and of decision made by Governor Javier Lopez Moreno."

According to an initial assessment made by organizers at the door of the municipal presidency in San Cristobal de las Casas—which was occupied symbolically for about an hour—the main roadblocks were erected on various stretches of the international highway, at the entrance of Tzimol, near Chamic, and at the entrance of Teopisca, Comitan, and Las Margaritas.

In the Municipalities of Jitotol and Pueblo Nuevo Solistahuacan, about 1,000 peasants erected a roadblock along the highway near the Ejido Rincon Chamula.

Roadblocks were also erected on the Venustiano Carranza-Villa Las Rosas Highway, the San Cristobal de las Casas-Ocosingo Highway, and the road to Simojovel, in Pichucalco.

A roadblock was also erected along the Chicomucelo-Comalapa Highway in the mountain range area. All main highways in the state's nine regions were blocked.

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In the municipal capitals of San Cristobal and Comitan, demonstrators occupied three radio stations to read "Manifesto of the Democratic State Assembly of the People of Chiapas," demanding the establishment of a transitional government headed by Amado Avendano.

In the Municipality of Ocosingo, an area with some of the heaviest Mexican Army presence, the peasants and Indians decided not to carry out a planned march and radio station occupation to avoid confrontations.

Instead, they held community assemblies and meetings in which they voiced their wish to join the peaceful civilian resistance movement headed by the Democratic Assembly of Chiapas, demanding a transition government other than the one proposed by Eduardo Robledo Rincon.

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El Salvador

President on Early Challenges, Accomplishments

PA0309010794 San Salvador Canal Doce Television in Spanish 0200 GMT 2 Sep 94

[Speech to the nation by President Armando Calderon Sol in San Salvador on 1 September—recorded]

[Text] Fellow countrymen: On the occasion of the beginning of the Month of the Fatherland, we wanted to report to the Salvadoran people what we have accomplished during the first quarter of our administration. During this period, the foundations have begun to be laid to implement the 1994-1999 government plan. This is not a task of just a few months. As we said on inauguration day, the real solutions to many of our problems will come in the long term and extend beyond a government administration. The changes taking place now are actions and measures to achieve improvement and progress and to resolutely fight the new problems our country faces.

The first days of our administration were not easy. There was a marked increase in crime, a problem that seems to indiscriminately affect all the countries in our region and most of the world. In addition, we had to face different strikes and protests, which were of a political nature or were the result of already existing situations. In the economic arena, we faced price increases, a temporary crisis in the cement industry, and the drought. In the political arena, the election of the Supreme Court of Justice also created an impasse. The executive branch was subjected to great pressures so it would intervene. Nevertheless, we respected the independence of the branches of government, and we now see, with deep satisfaction, the new Supreme Court of Justice, which is the expression of the democratic maturity that our society is acquiring.

Despite these problems, we began to fulfill what we promised, undertaking actions and implementing measures in each of the four areas of our government plan.

In the area of public security, we have undertaken actions to reestablish the citizens' peace of mind by resolutely fighting crime. For this purpose, we are properly equipping the National Civilian Police [PNC]. We will show that in the new legal system the Salvadorans are building, there will be no one above the law and there will be no more impunity, no matter who the person is or where he comes from. In addition, at the most recent Central American presidential summit, El Salvador proposed and obtained the support of all the other governments to begin a process of coordination and actions and to establish mechanisms to share information in the battle against crime, as well as to create a Central American training institute to strengthen the civilian police.

On the subject of prisons, we found great difficulties due to problems that had been accumulating for years and that keep the prisoners living in subhuman conditions. To begin to deal with them, we have transferred to the Ministry of Justice the prisons that had been under the Armed Forces during the armed conflict, and the government has provided the funds to begin their renovation. In this way, we hope to reduce overcrowding in the short term. Nevertheless, we understand that the real solution includes the implementation of rehabilitation and education programs for the prisoners. We have already begun the task of renovating the infrastructure. Finally, we believe it is essential that legal processes be expedited so that there will be prompt and full justice. In this way, the problem of overcrowded jails will be resolved, and the human rights of all Salvadorans will be respected.

The good development of the economic area is essential because, thanks to the effort of all Salvadorans, it generates the resources that permit us to progress. With satisfaction, we can report to our people that all the goals of the monetary and financial programs have been reached and that everything indicates that the goals for the rest of the year will also be met. For example, inflation is being reduced every month while the economy continues to grow at an annual rate of more than 5 percent. The exchange rate continues stable due to the increase in the international reserves. Interest rates are going down and, along with the economic growth, this will facilitate private investment and help generate more employment.

The expansion of credit, in support of various economic activities, has been dynamic, including that destined for micro and small businesses. A larger number of businessmen hurt by the armed conflict were also helped by extending the qualification deadline to 31 December. In addition, special credits have been granted to farmers hurt by the drought.

In taxes, we were clear on this ever since the first day of our administration: We must all contribute to the country by paying our taxes. We are going to do this. At the same time, the program to modernize the public sector has been promoted. This involves a long-term process to achieve administrative efficiency and facilitate decentralization of the education, health, [word indistinct], telecommunications, and human resources as an effective means of controlling government expenses.

In the area of privatization, we obtained the Legislative Assembly's unanimous approval of the law for the privatization of the sugar mills. We have also continued with the sale of the San Bartolo Free Zone. In addition, we are drawing up a privatization plan that will be publicly presented in due time to be discussed with all sectors of national life. Within the framework of the legal reforms to strengthen the social market economy system, a bill has been prepared for the defense of free competition, and the consumer protection law is being reviewed to complement it.

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In the area of regional integration, the Central American general economic integration treaty and the uniform customs code were approved. In addition, negotiations were concluded, in a manner satisfactory to El Salvador, with GATT on textile quotas which the United States sought to impose. As a result, a large number of jobs were guaranteed.

In the agricultural and livestock area, the national consultation forum in this sector was opened to decide operational strategies and establish mechanisms for coordination between the private sector and the government so as to reactivate and modernize the nation's agricultural and livestock area. We also have the high honor of hosting the 23d regional conference of the UN FAO [Food and Agriculture Organization].

At the beginning of our administration, we obtained the international community's support for our economic and social development plan, particularly with regard to the projects to benefit social sectors and train human resources. This support will enable us to have the technical and financial resources to implement the sectorial programs in the next five years.

In the social area, our commitment in government is to create conditions that will provide equal opportunities to all Salvadorans and improve the standard of living. That is why we have said we will place greater emphasis on the policies that invest in individuals, taking the path that leads to human development. Therefore, our greatest effort will center in investments in health and education. Nevertheless, we must stress that these sectors require changes that take a long time and that demand financial and human resources.

In the health sector, a program for preventive medicine, with emphasis in the rural population, is under way. It is aimed at individuals and their environment. The participation of municipalities, communities, and nongovernment organizations is included in this program. Under this program, preventive medicine drives, medical consultations, and surgeries are taking place in the interior of the country, with the voluntary participation of medical associations.

In the education sector, an educational reform group has been formed. It includes teachers, technical advisers, directors, and officials. By the end of September, an outline of reforms proposed by different sectors should be ready to submit to discussion by universities, unions, organizations, foundations, and representatives of the private sector.

A very important tool in improving the performance of students is the food program which is implemented with the support of the National Family Secretariat. Through these programs, food has been distributed to more than 200,000 children in rural and poor schools. Literacy is one of our government's basic commitments. In August, a program linked to basic education and productive work was begun in Cabanas Department. Our commitment to literacy is so great that at the Central American presidential summit we obtained an agreement that urges the education ministers to draw up a program to achieve full literacy before the year 2000.

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In the electric power area, the CEL [Lempa River Hydroelectric Executive Commission] signed a contract for the installation and operation of a power plant in Nejapa that will help meet the sector's growth needs. In addition, other electricity projects have been carried out. The entire Salvadoran population will benefit from these

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and other projects, taking the appropriate steps to supply the majority of the population with the quantity and quality of service they need.

As for the policy on the family, we adopted a firm position of saying yes to life during the recent presidential summit. The Salvadoran initiative obtained the support of all the Central American countries regarding the right to human life from conception and the strengthening of the family as the basic organization of society and main factor in transmitting and developing the moral, cultural, and spiritual values of the Central American peoples. Moreover, as a demonstration of our decision, the Salvadoran delegation to the International Conference on Population and Development in Cairo will be headed by the first lady.

But yes to life must not only be understood as a rejection of abortion. It must also include the right to a decent life, with the opportunity to break the belief that he who is born poor is condemned to die poor. Yes to life also means education, health, housing, and healthy environment. Yes to life is the defense of the family and love of God, fatherland, and fellow human beings. Yes to life is a decent job and a secure old age. It is the achievement of social peace.

In our inauguration speech, we said that we believe it is essential that the [word indistinct] and development of all currents of thought be stimulated because when there is no confrontation of ideas, these do not mature, limiting the possibilities of finding better options in the search of solutions for our problems. As irrefutable evidence of our deep commitment to democracy, we have decided to reopen Television Channel 8 and to turn it into a public channel to make known the work of the Legislative Assembly, the Supreme Court of Justice, all the political parties, trade unions, professional organizations, and persons who want to freely express their ideas. This government measure seeks to effectively contribute to our country's democratic development.

At the conclusion of this brief report, I want to express the following thought to you. We are laying the foundations of a government that is working with all its strength to keep its promises and turn El Salvador into a country of equal opportunities. It is a lengthy road, in which there are no miracles but only work and more work. We are confident we are on the right path, but we are open to hearing the necessary suggestions to improve our country. It deserves this.

Fellow Salvadorans: In this Month of the Fatherland, we are sincerely called to fill our country with blue and white [colors of Salvadoran flag], to live with pride and confidence in the future, and to pray to the Savior of the world to guide us on the path of progress and to lead us to achieve social peace. Thank you very much.

Honduras

Paz Aguilar on Cuban Refugees, Robaina's Visit

PA0809045394 Mexico City NOTIMEX in Spanish 2337 GMT 7 Sep 94

[Text] Tegucigalpa, 7 Sep (NOTIMEX)—Foreign Minister Ernesto Paz Aguilar declared today that Cuban emigrants who have relatives in this Central American country will have preference as refugees.

The foreign minister told NOTIMEX that he is working with his advisers to establish the requirements that must be met by Cubans who wish to enter as refugees, although he said that the existence of relatives in this country will be a prerequisite.

The United States formally asked Honduras to receive Cuban rafters, a request to which the administration of President Carlos Roberto Reina agreed.

Paz Aguilar also referred to alleged criticism by Salvadoran President Armando Calderon Sol for the warm welcome given by the Honduran people to Cuban Foreign Minister Roberto Robaina upon his arrival last week in Tegucigalpa.

He said the people who criticized Robaina's arrival in the country are persons who "have mental barriers which they have not been able to overcome."

The Honduran foreign minister said that Oscar Santamaria, his Salvadoran counterpart, told him that Salvadoran President Armando Calderon Sol was not displeased with the welcome accorded Robaina.

Nicaragua

FSLN Agreement on Draft Constitutional Reform Bill

PA0309022994 Managua BARRICADA in Spanish 30 Aug 94 pp 1, 8

[Article by Jorge Katin]

[Text] The National Directorate of the Sandinist National Liberation Front [FSLN] and the Sandinist faction yesterday agreed to submit the Draft Constitutional Reform Bill to the National Assembly on 5 September at the latest.

The two organizations met for eight hours. At the end of the meetings, Sandinist leaders Tomas Borge and Sergio Ramirez confirmed the decision adopted. This decision will be discussed during an emergency Sandinist Assembly convened for next Sunday.

Although "local" topics such as reelection, succession by blood relatives, and land ownership were not thoroughly discussed, both Borge and Ramirez confirmed that there are still conflicting positions in this regard.

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"We believe that the Sandinist Assembly should discuss the content of the reforms, and any decisions should be made within that forum," Borge argued, conceding that this discussion will take place during the consultation and negotiation process to be set up by the National Assembly as of 5 September.

Dora Maria Tellez, who left the meeting minutes before it ended, expressed her confidence that a majority of the National Assembly will support the decision to immediately submit the Draft Constitutional Reform Bill.

"The reforms are crucial for Nicaragua's future. Certain changes must be established to advance the consolidation of democracy and to more appropriately distribute the powers of state branches," Tomas Borge stated.

Borge did not deny the current disagreements between the National Directorate and the Sandinist Assembly on several topics.

As for the topics of succession by blood relatives and reelection, Borge said that "there are different views within the National Directorate; some of us have one opinion and others have another. I believe there should not be any restrictions on candidacies."

Asked about the decision adopted by the former Sandinist Assembly, Borge noted that "these topics, as any others, are subject to discussion."

Mandate Prevails

Contrary to Borge's statements, Luis Carrion Cruz—also a member of the Sandinist Directorate—said that the mandate of the Sandinist Assembly still prevails. The mandate to introduce restrictions on relatives of the president and to limit reelection was taken at the beginning of 1994 when the package of reforms was submitted.

"I believe the decision adopted tonight confirms that there are not any more negotiations going on outside the National Assembly. The main decisions will be made through the mechanisms of the National Assembly," FSLN faction leader Sergio Ramirez said.

"Any negotiation with other state branches will take place through the National Assembly. These negotiations should not take place outside the National Assembly," Ramirez added.

The Sandinist leaders did not reject possible participation by UNO [National Opposition Union] in the process set to begin on 5 September.

Ortega Lobbying on Property, Reform Issues

94CA0159C Managua EL SEMANARIO in Spanish 4-12 Aug 94 p 4

[Article by Erick Aguirre]

[Text] Sandinism now seems to have two "heads" for political negotiations. That is, politically and legally it is working like one of those mythological beings found in classical literature: an enormous, hefty, two-headed body whose essential feature is the difference in intention and character of the two brains that control its functions.

And the root, or to put it better, the flowering of all this is related to the extremely well-known results of the recent Sandinist Congress, after which the purged member of the National Directorate, Dr. Sergio Ramirez, who as an alternate occupies Daniel Ortega's seat in the National Assembly, offered his resignation to the leadership of the usually monolithic Sandinist parliamentary group.

As is also known, the parliamentary group as a whole, including two or three deputies who in the FSLN [Sandinist National Liberation Front] factions are at Ortega's side, rejected the obvious dismissal of Ramirez and confirmed that he has done good work as the head of the red and black [Sandinist] parliamentarians.

At that point the other head set to work. Ortega, confirmed almost by "acclamation" and after arduous maneuvers by the Office of the Secretary General of the FSLN, hastily began a political trip to Washington that had the result, as many had predicted, of being unsuccessful but harmless. He should have realized that in Washington they know quite well with whom they are talking.

Then at home he began a process of political negotiations with diverse sectors like Private Initiative and the government. These could be considered legitimate, if it were not that their implications must be considered in the national legal context, that is, from the legislative perspective.

That is the case of the much discussed but still nascent Property Issue Resolution Bill, and some aspects of the Constitutional Reforms Bill, especially those related to non-reelection and the ties of affinity or consanguinity as a bar to presidential candidacy.

For a long time before the Congress, at the mandate of the National Leadership, the Sandinist bench has been negotiating, by attaching itself to the right in accordance with the balance of parliamentary alliances, a possible legal solution to the thorny and explosive property problem in Nicaragua.

Now, after the Congress, Ortega, with some members of his new leadership, has unilaterally gone outside parliament to negotiate these issues with COSEP [Higher Council of Private Enterprise].

The Sandinist secretary general's intention has apparently been to "swap," with the government Antonio Lacayo's impediments to his presidential ambitions in the package of constitutional reforms, for a "satisfactory resolution" (going behind the back of the legislature) to the property issue which, incidentally, he also wanted to negotiate with COSEP.

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The reaction of his negotiating contacts, though, has been what could have been expected: once again his lobbying is unsuccessful, though not so harmless. H formal proposal to the government during a meeting with the cabinet, headed by Lacayo, was responded to in a later statement of rejection ("it is an inviable, inappropriate proposal") from the lips of Minister Emilio Pereira.

Moreover, although the visibly sly and sarcastic expressions of the COSEP directors during the televised portions of their meetings with Ortega and Bayardo Arce may not have been clear enough at the start, the final jab was given by Ramiro Gurdian in commenting on what Ortega said on 19 July. "That is indeed what he said; the problem is that nobody believes Daniel any more."

Apparently the Sandinist bench will continue to operate autonomously, still clinging to the right and to a strict sense of legal and political rationality. This means that it will be hard to get a Property Law passed that will please a small group of persons who may possibly be quite severely affected.

A possible appearance by Ortega in his parliamentary seat, displacing Ramirez to ensure his political intentions, is certainly possible. There are precedents for such actions. Apparently, then, the issues of non-reelection, relationship, whether affinity or consanguinity, will have to be debated by the various parliamentary blocs.

It hardly needs to be said that clear positions on this issue have already been staked out. The most visible? The position of the president of parliament, Luis Humberto Guzman, and that of the influential conservative leader, Dr. Miriam Arguello.

Panama

Lewis Galindo Briefs Lawmakers on Cubans' Arrival

PA0809025694 Panama City Circuito RPC Television in Spanish 2300 GMT 7 Sep 94

[Report by Vicenta Melania Herrera; from the "RPC Television News" newscast]

[Text] In light of the allegedly undiscussed decision to bring Cuban citizens into our country, government officials have explained before legislators and the country the mechanisms employed to undertake such humanitarian action.

Foreign Minister Gabriel Lewis Galindo addressed a plenum of the Legislative Assembly to answer four questions about the arrival of Cuban citizens in the country. Lewis Galindo, accompanied by his team of advisers, told legislators that they were not notified of the government's decision because it was made before the Legislative Commissions had been formed.

[Begin Lewis Galindo recording] The position of the president-elect and the foreign minister-designate was identical to that assumed in the case of the Haitians. Panama would accept the Cubans, as we would with the Haitians, for humanitarian reasons under the same terms to which we agreed on the presence of the latter.

We did not make nor are we making—let this be clear—distinctions of any kind. [end recording]

According to the statements by Lewis Galindo, the decision to admit Cuban citizens falls within the legal framework of the Torrijos-Carter treaties.

Meanwhile, legislators took the opportunity to question the foreign minister and his team of advisers on all possible implications for the country of the arrival of Cuban rafters.

Editorial Links Receiving Cubans to Economic Aid

PA0709153694 Panama City EL PANAMA AMERICA in Spanish 7 Sep 94 p 6A

[Editorial: "Panama and the Cuban Rafters"]

[Text] The dramatic situation of the Cuban rafters is a harsh blow to the conscience of the civilized world. Thousands of men and women, often accompanied by their small children, are embarking in makeshift rafts into the turbulent and shark-infested waters of the Caribbean in a desperate effort to cross the Florida Straits and reach what they consider the land of freedom and opportunities.

The cause of this new exodus of Cubans is very evident. For the last 35 years, a totalitarian regime, one of the few left in the world, has systematically repressed all freedoms. The total failure of this regime's economic system has imposed on the people a cruel process of impoverishment and created unbearable living conditions. Under these circumstances, it is inevitable that leaving the island has become an understandable and justified obsession.

All of this is worsened by Clinton's tightening of the economic blockade, to which Castro has responded by opening the doors to the flow of migrants, which has already reached 25,000 refugees.

For the time being, the national government has sided with the United States and provided the space to shelter 10,000 refugees for "humanitarian reasons." But it is evident that other reasons—not been explained by our Foreign Ministry—are behind these strictly cosmetic explanations.

One can conclude, nonetheless, that Panamanian interest will be proportional to the size of the favor Perez Balladares is doing for Clinton. It is obvious that the United States has a very limited capacity for receiving the rafters, and its position on imposing democratic

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changes on the island makes this even worse. If not for Panama, the United States would have been forced to capitulate.

Thus Panama is doing such a service for no less a reason than obtaining U.S. support for more economic assistance, so that we will be able to join GATT and NAFTA under more favorable conditions that will allow us to attract foreign investment and gain access to vast markets.

The national government must proceed with extreme caution and insight, acting in the best national interest. This game is not completely exempt from risks. The United States learned a hard lesson from Mariel. It has never recovered from the crime wave that is still affecting tourism in Florida, and it had to confront several uprisings by the impatient refugees after months of waiting. This flow of people has nothing to do with the peaceful street vendors of the past decade.

Cubans' Arrival Viewed as 'Improving U.S. Ties'

PA0809010994 Panama City Circuito RPC Television in Spanish 2300 GMT 7 Sep 94

[Report by Vicente Melania Herrera; from the "RPC Television News" newscast]

[Text] Nicolas Ardito Barletta, director of the International Center for Economic Development [Centro Internacional para el Desarrollo Economico—Cinde], said that the arrival of Cuban citizens in our country will not affect the Panamanian economy and added that the actions undertaken will serve to improve ties between Panama and the United States.

[Begin Barletta recording, in progress] ...and that is because the Panamanian Government is doing the U.S. Government a favor. This must result in a more favorable U.S. policy toward Panama.

Second, it all depends on how the situation is managed. If everything is done as has been agreed; specifically, that these Cubans will be on U.S. military bases, that the United States will pay all expenses, and that they will leave in six months, this move will not have a negative impact on Panama. [end recording]

Nicolas Ardito Barletta refused to comment on the government's decision to receive thousands of Cuban citizens when it is just beginning its administration.

Ardito Barletta made the aforementioned statements while announcing that the fifth regional conference of Cinde with Latin American organizations will open on Thursday. The conference will be held in a local hotel.

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Argentina

Economy Minister Departs for Malaysia, Singapore

PY0509151094 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1808 GMT 3 Sep 94

[Excerpts] Buenos Aires, 3 Sep (NA)—Economy Minister Domingo Cavallo has begun a five-day tour of Asia that will take him to Malaysia and Singapore, where he will discuss investment possibilities in Argentina, and will meet with ministers from the transport, communications, and public works sectors.

Cavallo is accompnaied by a delegation of businessmen, including Sergio Einaudi (Techint), Enrique Pescarmona (IMPSA), Jorge Bermudez (Citibank), Alejandro Roggio (Benito Roggio), Carlos Oliva Funes (Swift), Luis Bameule (Quickfood), and Collie Casartelli (Corderos Gran Sur). [passage omitted]

The minister is scheduled to return on 9 September at approximately 1600.

Cordoba Governor Drops Out of Presidential Race

PY0709170894 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1536 GMT 7 Sep 94

[Text] Cordoba, 7 Sep (NA)—Cordoba Governor Eduardo Angeloz today ruled out the possibility of being a presidential candidate for the Radical Civic Union [UCR], stressing that he cannot find "the appropriate conditions" to run.

Angeloz made this announcement shortly after 1200 during a news conference in this city.

UCR Senator To Run for Buenos Aires City Mayor

PY0609141494 Buenos Aires NOTICIAS ARGENTINAS in Spanish 2210 GMT 5 Sep 94

[Text] Buenos Aires, 5 Sep (NA)—Fernando de la Rua, Radical Civic Union [UCR] senator for the city of Buenos Aires, today announced that he will run for mayor of the city, and at the same time excluded himself from participating in the election campaign for the presidency.

De la Rua made the announcement during a news conference this afternoon at the headquarters of the Study Centers for the Republic Foundation. He released a declaration in which he highlights his commitment "to a UCR that must continue to be a definite opposition alternative."

Bolivia

Brazilian Military Threats at Border Reported

PY0709175094 La Paz PRESENCIA in Spanish 26 Aug 94 p 7

[Text] Members of the executive branch yesterday expressed great concern over reports of Brazilian military units threatening Bolivians living in Abuna Province, Pando Department.

Government Ministry Undersecretary Hugo San Martin said reports from Riberalta published by this daily yesterday must be evaluated. He added that the case is in the hands of the Armed Forces. "The Armed Forces are evaluating this case," he told PRESENCIA.

Armed Forces Commander General Fernando Sanjines avoided any comment to reporters on this delicate issue. "I have nothing to say, please excuse me," he said, without any further explanations.

According to a report by the PRESENCIA correspondent in Riberalta, Bolivian businessman Mario Vargas stated on 20 August that Brazilian airplanes overflew the region (Puerto Vargas in Abuna Province, Pando Department). A helicopter landed on his property. Armed military got out of the helicopter and pointed their weapons at the people, telling them to leave because this was allegedly Brazilian territory.

Vargas said this was not the first time this type of situation had occurred. He demanded strong action from Bolivian officials despite the difficult access to this region.

Government Releases Peasant Leader Evo Morales

PY0709134594 Madrid EFE in Spanish 2207 GMT 6 Sep 94

[Text] La Paz, 6 Sep (EFE)—Bolivian authorities today ordered the provisional release of Evo Morales, the leader of coca growers, who was arrested 10 days ago by the police and put under the jurisdiction of the courts on charges of sedition.

Morales, who began a hunger strike on 28 August, must appear before officials periodically until his trial begins.

Shortly after his release, at 1630 (2030 GMT), Morales, who is the main leader of the five federations of coca growers, went to attend the meeting called by the Bolivian Labor Federation (COB) to define the course of the growing social conflict.

"We will immediately head the march and we will continue our protest until the charges against the leaders are lifted," Morales said to the dozens of coca growers who came to greet him.

The Bolivian Government accused Morales of organizing a paramilitary force to exert violent pressure on the coca growers of Chapare, but this accusation was rejected by the peasant leaders, who explained that "the union police is an institution that has been included in the agrarian union statute since its creation more than 50 years ago."

Morales' release in Cochabamba was interpreted in the opposition political circles of La Paz as a gesture "of conciliation" by the government, which hopes to start immediate talks with the COB leaders to find a solution to the many demands made by labor sectors.

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Labor Minister Reynaldo Peters left for Cochabamba to meet with the COB national leaders right after they concluded their evaluation of the conflict.

Peters hoped to start the talks today but there are "hard" union positions rejecting dialogue and hoping to radicalize the protest until the demands of the coca growers and the annulment of three laws—which are essential for changing the state structure—are obtained.

The coca growers of the Chapare central region demand the withdrawal of the police and military forces from that zone, where 80 percent of the coca production is used for making cocaine. They also demand the revision of the counternarcotics law and the implementation of an effective alternative development program.

The teachers' unions are demanding the annulment of the Capitalization Law; the Popular Participation Law; and, in particular, the Educational Reform Law because they believe the laws are not in their best interests.

Brazil

Coffee Reserves Auctions May Be Halted Until 1995

PY0709224794 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 7 Sep 94 p B4

[By Aldo Renato Soares]

[Text] The Industry, Commerce and Tourism Ministry [MICT] has proposed in Brasilia the immediate suspension of the government coffee reserves auctions in order to be prepared to face the coffee shortage, which is expected for the beginning of January 1995. An MICT study also suggested a supply scheme: Each bag sold to the Brazilian industry will allow the export of two other ones. The MICT technicians forecast a shortage of 9.7 million coffee bags in July 1996. According to Frederico Robalinho, MICT secretary for trade policy, "it is better to adopt the measure now to avoid problems from January on." The MICT believes that frost may have caused a loss of up to 11 million coffee bags (in this case, the harvest would yield an estimated 15.2 million to 17.2 million bags). The dry spell can also cause losses.

David Nahum, vice president of the Brazilian Coffee Industry Association (ABIC), said in Sao Paulo that coffee roasters oppose suspension of the auctions. Nahum said that as the proposal has been known for a few days, exporters have already had the opportunity to move forward registries for sales abroad. Nahum recalls that some years ago, a similar system was adopted. Certificates that entitled businessmen to export ended up by being negotiated with inflated fees. Nahum proposes that auctions continue being held, but he thinks the government should not have to sell pre-determined amounts (in the Finance Ministry, the plan is to auction 5 million bags). They believe it would be enough to sell whatever amount is necessary to balance prices.

Secretary Frederico Robalinho said that the measure depends on the finance minister's authorization. MICT advisers have asserted, however, that only if the president so orders will the auctions not be suspended. There are rumors of arm wrestling between Finance Ministry advisers—particularly special adviser for prices Jose Milton Dallari and Economic Policy secretary Winston Fritsch—and MICT advisers. The Finance Ministry team has decided to sell coffee in an attempt to reduce prices. According to Robalinho, Colombia, which is the second largest coffee producer in the world, would also be willing to adopt the decision to retain its stocks.

Franco Asks Gomes To Help Check Speculation

PY0509225294 Rio de Janeiro Rede Globo Television in Portuguese 1600 GMT 5 Sep 94

[Text] Ceara Governor Ciro Gomes will be sworn in as finance minister during a ceremony to be held at Planalto Palace on the morning of 8 September. Journalist Alexandre Garcia has more details in the following live report from Brasilia:

[Begin recording] [Garcia] President Itamar Franco has given a special recommendation to Finance Minister-designate Ciro Gomes: To watch speculation by keeping an eye on speculators. Franco said that he and Gomes share the same thoughts about banks and interest rates. They both believe that interest rates may still markedly decline.

Franco told Gomes that the government has thus far used its artillery to curb inflation and that, from now on, the new minister will have to lead the infantry forces to take up positions and to consolidate the gains. Franco said he was impressed with Gomes's enthusiasm in joining this battle.

Let us see now how the Brazilian financial centers reacted to the change in finance ministers. Economist Joelmir Beting reports:

[Beting] Financial agents spent the weekend running from one scare to another. It could not have been any different considering all that has happened since 2 September. Yet, although business circles received with natural surprise the appointment of Ciro Gomes as finance minister, they approved of the appointment.

For economic activities in general, what will really matter from now on is to give continuity to the stabilization program. Businessmen believe that the maintenance of the economic team, the team that formulated the Real Plan, is the best guarantee to keep the plan on track.

Although there has been a change in the economic leadership, there will be no changes in the economic team or in the economic stabilization program. No major decision needs to be made because the rules of the game of the real have already been laid out.

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Yet, the economic week following the crisis that broke out in Brasilia opened with a good news: The first inflation rate in reals has not been contaminated by the cruzeiro-fueled inflation. The Economic Research Institute Foundation [FIPE] has reported that inflation remained under 2 percent—1.95 percent—in August.The FIPE inflation rate for July was still markedly affected by the price markups and stood at nearly 7 percent—6.95 percent.

FIPE experts predict that inflation in September will stand below 1 percent. [end recording]

Finance Minister-Designate Opposes Salary Indexation

PY0609010694 Brasilia Voz do Brasil Network in Portuguese 2200 GMT 5 Sep 94

[Text] After meeting with Central Bank President Pedro Malan and with Clovis Carvalho, executive secretary of the Finance Ministry, Finance Minister-designate Ciro Gomes today stated that he is going to manage the Real Plan with a firm hand. Gomes also announced his position on the salary issue:

[Begin recording] Look, we must be systematically on the side of the Brazilian people, by showing them the qualities of the new ground we have won and by leaving behind that obsolete, trite illusion of engaging in a salary-price race, because in this race salaries have always lost.

We cannot revive the old indexation formula that benefited only speculators. That time is over in Brazil. But, how do we expect to resolve this problem? By holding talks, by being persuasive, and by exercising the government's authority, when necessary, in the best interests of the nation. [end recording]

Gomes is the fifth finance minister of the Franco administration.

In light of reports on the ups and downs provoked in the financial market by the change of finance ministers, Gomes said that he who bets on economic turmoil or any related disturbance will be making a mistake.

Gomes stated that he will maintain the same fiscal and monetary austerity goals, balanced public accounts, and a relentless fight against tax evasion.

Gomes will ask the public to refrain from contracting long-term credit purchases. He noted that many monthly payments give consusmers the impression that they can afford such purchases, but this is not always true. He will advise Brazilians to save their money for three or four months to give time to industries to adjust to the new economic rules. He made it clear, however, that he will not adopt any measure to deter consumption.

Gomes announced his opposition to indexing prices and salaries. Shortly before holding his first meeting with the economic team, he announced that he will make no changes in the economic plan. He added that he will maintain the entire economic team.

Regarding a request by the Sole Workers Center, CUT, that salaries be adjusted monthly, Gomes said he is opposed to the idea because to restore indexation would be detrimental to workers:

[Begin recording] To restore the monthly indexation of salaries or prices would be harmful to the Brazilian workers. Instead, we must all seek to benefit the working class. [end recording]

Gomes will soon go back to Fortaleza to officially step down as governor of Ceara State and prepare to move to Brasilia.

Lula, Cardoso on Naming of Gomes

PY0609022994 Rio de Janeiro Rede Globo Television in Portuguese 2300 GMT 5 Sep 94

[Excerpt] [Passage omitted] In Sao Paulo, Workers Party [PT] presidential candidate Luiz Inacio Lula da Silva has criticized the appointment of Ceara Governor Ciro Gomes as finance minister:

[Begin recording] When the government appoints Ciro Gomes, what has it done? It has removed an expert who was surreptitiously campaigning for Fernando Henrique Cardoso over the media and has replaced him with someone who is not an expert, but rather someone who is involved in managing the campaign of Fernando Henrique Cardoso. [end recording]

Fernando Henrique Cardoso, presidential candidate of the Brazilian Social Democracy Party [PSDB], also commented in Sao Paulo about Gomes's appointment as finance minister. He said he finds it natural that a politician is appointed to the office of finance minister to lead the Real Plan:

[Begin recording] Governments are set up within parties and by the party that supports the government. The PSDB supports the government. I was finance minister and I served in office as a PSDB member. My God, it looks like some people will never learn the basics of democracy. [end recording] [passage omitted]

[Sao Paulo AGENCIA ESTADO in Portuguese at 0008 GMT on 6 September, in reporting on Gomes's appointment as finance minister, notes that "President Franco has decided to administer the oath of office to Finance Minister-designate Ciro Gomes at 1700 on 7 September at Itamaraty Palace."]

Ciro Gomes' Background Viewed

PY0709173994 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 5 Sep 94 p A7

[Text] Ceara State Governor Ciro Gomes had been mentioned in all the lists of possible PSDB [Brazilian

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Social Democracy Party] ministers if Fernando Henrique Cardoso became president, but he never considered becoming a minister during Itamar Franco's administration. He attended graduate school at Harvard University in the United States and was planning to spend at least a year away from Brazilian politics.

Those plans have now been postponed. By accepting the invitation to occupy [former finance Minister] Rubens Ricupero's position, Ciro Gomes, 36, exchanged Fortaleza for Brasilia and became a member of the federal government as the youngest minister in Franco's team. He was also the youngest Ceara governor when he took over the governorship in 1991.

Born in Pindamonhangaba (Sao Paulo) and raised in Crato (Ceara State), Ciro has had a meteoric political career. He started as a PDS [Democratic Social Party] state deputy in 1982, just three years after graduating as a lawyer from the Federal University of Ceara. In 1986 he was reelected on a PMDB [Brazilian Democratic Movement Party] ticket. Two years later he was nominated by then State Governor Tasso Jereissati to become mayor of Fortaleza. He received a heavy inheritance from former Mayor Maria Luiza Fontenele—public services were paralyzed and garbage covered the streets. Within barely a year he cleaned the streets, repaired holes in the roads, reopened health centers, reopened schools, and paid all the back salaries of the 22,000 municipal workers in his administration.

Ciro Gomes's administration as Ceara governor has been approved by surveys and lauded by international organizations. Heading the third poorest state in the nation, in 15 March 1991 he carried out a radical administrative reform. He cut commissioned positions, dismissed public workers, and eliminated nine departments. He reduced infant mortality rate by 32 percent and received a UNICEF prize for his health training program. In the past two years Ceara State received another title: The record number of cholera cases.

The epidemic was unable to destroy the governor's prestige. During his three and a half years as governor, Ciro Gomes made more than 100 trips—nine of them abroad—to talk about his administration's achievements. During these tours the new finance minister also defended the real plan in entrepreneurial circles.

Ciro Gomes' Main Economic Adviser Described

PY0709171694 Sao Paulo AGENCIA ESTADO in Portuguese 2039 GMT 6 Sep 94

[Text] Rio de Janeiro, 6 Sep (AE)—Elena Landau, the privatization director of the National Bank for Economic and Social Development (BNDES), will be one of the main coordinators of the economic team under the command of new Finance Minister Ciro Gomes. Elena was economic and financial adviser of the PSDB [Brazilian Social Democracy Party] administration in Ceara State and one of the closest aides of Ciro Gomes and Tasso Jereissati [both former Ceara governors]. A professor at the Pontifical Catholic University, PUC, of Rio de Janeiro, Elena Landau was considered to replace former Planning Minister Ieda Crusius during the first half of 1993. At that time she was proposed by Gomes and Jereissati.

With firm and decided actions Elena has, despite the paralyzation of the privatization program, expedited the sale of the government minority participation in public companies that did not depend on auctions. With optimism she made the first deposit in the Social Emergency Fund (FSE), some $220 million, from the sale, in cash, of what remained of the privatization of the National Iron and Steel Company (CSN). Landau believes the FSE is essential to compensate for the absence of a fiscal reform and to balance the national accounts, a basic point of the current economic stabilization program.

While serving in Ceara State, the fiscal issue was her top priority because both she and Gomes believe one cannot spend more than what is collected. With Ciro Gomes as finance minister, BNDES experts who work with Elena Landau in the privatization directorate, believe the sales of the government minority participation in public companies could be expedited.

Another project on which Elena Landau worked for the past few months was the reorganization of BNDES, which will again invest in infrastructure works and further encourage exports. Disbursements by BNDES through the Finamex [Fund for Financing Machinery and Equipment Exports] before and after exports are shipped totalled $160 million between January and August—five times what was disbursed during the same period last year.

Finance Minister Told To Keep Out of Election

PY0709173694 Rio de Janeiro O GLOBO in Portuguese 6 Sep 94 p 3

[Text] Brasilia—During his first meeting with President Itamar Franco yesterday morning, newly appointed Finance Minister Ciro Gomes was ordered to stay away from the electoral campaign and to avoid openly supporting PSDB [Brazilian Social Democracy Party] candidate Fernando Henrique Cardoso. Gomes said Franco expects him to remain outside the presidential succession process.

He said: "The president ordered me to stay away from the process, because the real plan is not the property of any party or any candidate; it belongs to the country."

The main topics that the president and Ciro Gomes addressed were inflation, the monetary policy, the exchange rate, and Mercosur [Common Market of the South]. Gomes, who is the governor of Ceara State, said such topics will be tackled right after he is installed at the Finance Ministry at 1700 on 7 September, which is a national holiday.

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The president also instructed Ciro Gomes to address the people as many times as possible to calm them and the financial market about the continuation of the economic plan. The new minister is closely following his instructions; during the five interviews granted throughout the day he repeatedly said the real plan will continue and that the efforts to fight inflation and tax evasion will be reinforced. One of the reasons for Gomes's designation was his ability to communicate.

Military men have welcomed Gomes' designation. Despite bewilderment and surprise at the informal remarks by (former Finance Minister] Rubens Ricupero, officers yesterday told GLOBO that the minister's replacement will not harm the government's economic stabilization plan.

An Army Colonel linked with Army Minister Zenildo de Lucena said: "I believe and expect the plan will continue well. Ciro Gomes is a great, young, and dynamic citizen."

A high-ranking Navy officer said: "They picked the best man. He is hardworking, he inspires confidence, and he is a politician."

Gomes Sworn in as Finance Minister

PY0809011594 Rio de Janeiro Rede Globo Television in Portuguese 2300 GMT 7 Sep 94

[Text] In a simple, short ceremony held in Brasilia, Ciro Gomes today took the oath of office as the new finance minister.

Speaking in the name of the government, Presidential Secretary General Mauro Durante wished the new minister success. Then the installation document was signed without any speeches being made.

President Itamar Franco congratulated both the incoming and outgoing ministers, and Gomes's parents as well.

After shaking hands with a long line of well-wishers, Gomes declined to answer questions. He merely made a statement:

[Begin recording] I feel that I am assuming a serious responsibility, but I am also very excited because now that I am aware of the current status of the Real Plan, I believe that it will bring a final solution to the Brazilian economic stabilization problem, and that it will pave the way for realizing a time in which Brazilian workers will feel dignified by the strength of their salaries. Thank you. [end recording]

Gomes does not want to elaborate on issues at this time, at least not until he is well aware of the details of the implementation of the Real Plan. He is already scheduled to hold his first extensive meeting with his economic team and with other ministers of the economic sector tomorrow morning.

Gomes will have a good chance to talk about the economy in the speech he will deliver at 1530 tomorrow during the ceremony at which he will take charge of the Finance Ministry.

[Begin economist Joelmir Beting recording] In his speech tomorrow, Finance Minister Ciro Gomes will defend the continuity of the Real Plan, without surprises or packages. The tight monetary policy will continue, with short-term credit for consumption purposes. Issuances of real notes in September may not exceed the established ceiling of 9 billion. Utility rates will continue to be frozen.

There will be no price control, but abuses by industries or stores will be punished based on the provisions of the Antitrust Law and with the reduction of import duties of those items that are either in short supply or have artificially high prices. Neither the salary policy nor the exchange policy will change. In sum, as the new coach of the Real Plan, Gomes will say that no one should introduce changes into a winning team. [end recording]

Government Explains Suspension of Privatization

PY0609010494 Sao Paulo AGENCIA ESTADO in Portuguese 2352 GMT 2 Sep 94

[Text] Brasilia, 2 Sep (AE)—The presidency today released an official note explaining the government position on the privatization of state enterprises of the electric and petrochemical sectors. According to the note, the government has adopted "all provisions in order to adjust the transfers to constitutional principles." The note added that the Counsel General's Office is now studying the "need for previous regulation of the services, contracts, and the respective renewal" of state-run companies of the electric power sector. The Counsel General's Office is also preparing the regulations applying to the use of income statement balances that must be compensated (CRC). As for the petrochemical sector companies, "it was decided to suspend the scheduled auctions in order to more accurately analyze the various valuation criteria, which affect the minimum price and the other terms of the transactions," the note concluded.

Government Losing Almost $5 Billion in PND Delay

PY0609013594 Rio de Janeiro O GLOBO in Portuguese 2 Sep 94 p 21

[Text] With President Itamar Franco's decision to suspend the National Privatization Program (PND), the government will lose nearly $5 billion. This is the amount the National Bank for Economic and Social Development and the PND Executive Committee hoped the privatization auctions to be held until the end of the year would yield. These resources would result, particularly, from the sale of the Light and Power [two preceding words in English] company, the Escelsa [Espirito

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Santo Electrical Plants], and of the state-owned companies in the petrochemical sector.

Since the beginning of the privatization program, which started during the Collor administration with the auctioning of the Minas Gerais Iron and Steel Mills, Inc. in November 1991, 34 companies have been sold for a total of $7.3 billion. Companies in the metallurgy, fertilizer, and petrochemical sectors have been privatized, but there are still 29 companies to be sold, 18 of which are in the petrochemical sector.

Entrepreneurs of the petrochemical sector have said that they do not understand President Franco's reasons for suspending the auctions because there have always been disagreements between the prices established by the PND Executive Committee, the employees of the companies to be privatized, and people of other sectors that oppose privatizations. Julio Diniz, director of the Association of Petrobras Engineers (Aepet), said that President Franco must have been worried about the report prepared by the international consultant company, Deloitte Touche, to evaluate the possible impact of the Petroquisa privatization. According to the report, the state-owned company's assets may be reduced by $4.2 billion and total only a little more than $500 million at the end of the privatization process. As Petroquisa is an open corporation, the shareholders can resort to the courts if they believe their interests have been harmed.

Rede Globo Blamed For 'Leaking' Ricupero Interview

PY0609124094 Sao Paulo AGENCIA ESTADO in Portuguese 1712 GMT 5 Sep 94

[Text] Rio de Janeiro, 5 Sep (AE)—Embratel [Brazilian Telecommunications Company] President Renato Archer today stated that Rede Globo should be held accountable for leaking private portions of an interview granted by former Finance Minister Rubens Ricupero to Rede Globo journalist Carlos Monforte. The leak provoked Ricupero's ouster as finance minister. Archer said it is incumbent upon those contracting satellite services to use decoders to prevent leaks. Archer said Embratel merely provides the means for transmitting video and sound—either for a certain period of time, as it was in this case, or through a contract within the framework of the TV Sat network, which serves Rede Globo and all other Brazilian television stations.

Izaquiel Gieelman, operations superintendent at Embratel, said Rede Globo has a monthly contract with Embratel within the TV Sat network, through which it uses a satellite channel and is entitled to carry special programs. Ricupero's interview was carried as a special program, which could be transmitted either via satellite or microwave; that is, ground signals of audio and video. Gieelman said Embratel may choose the means of transmission depending on how busy the lines are at transmission time; that is, if microwave facilities are flooded, satellite mode will be used. The station has no way of immediately determining which channel it is using.

Roberto Marinho Says Ricupero Transmission 'Fate'

PY0609131494 Sao Paulo AGENCIA ESTADO in Portuguese 2049 GMT 5 Sep 94

[Text] Rio de Janeiro, 5 Sep (AE)—Roberto Irineu Marinho, the executive vice-president of Rede Globo Television, stated on 5 September: "It is most unlikely that a member of the television station staff or even of Embratel [Brazilian Telecommunications Company] is implicated in the leak of the interview with former Finance Minister Rubens Ricupero by reporter Carlos Monforte on the evening of 1 September." Marinho said: "It was fate," adding: "I do not think there was a political motive behind it."

Marinho explained that the television station prefers to transmit data—sound and images—by satellite to maintain the signal quality, even though it does not have an encoder to prevent these signals from being received by other dishes. He said the option for satellite transmissions applies for monthly contracts that Rede Globo Television has with Embratel within the TV Sat network and also the special programs within the system of regular television programs. Although the use of microwaves in the broadcast of sound and images by ground is safer, he said it is of lower signal quality compared with satellite transmission. Nevertheless, he did not know that Embratel had not used the microwave television relay of Brasilia for two years. He said: "We have always been concerned about quality, even before this event."

Marinho added that Rede Globo Television did not have the means to prevent the transmission of signals from the interview in Brasilia—where Ricupero and Monforte were—to Sao Paulo, where Lilian Wite Fibe was to have participated in the interview because it does not have an encoding system.

He said that Rede Globo is studying the possibility of purchasing this equipment, which must be imported. He pointed out that American television stations purchased their decoding systems only last year, while many still do not have them. The use of this encoder, he added, restricts access to transmissions. "Globosat [Rede Globo decoded channel signal] subscribers know, for example, about decoders and know that without them they cannot receive the Globosat signal, because it is restricted to subscribers."

In the case of a national television network, Marinho said, the case is more complex, because it uses material via satellites, edits the material prior to retransmitting via its transmitters. "The use of an encoding system for internal transmissions must be compatible with live transmissions. This requires an investment which Rede Globo intends to make in the future," Marinho said. He added that the studies to purchase an encoder are not

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linked with the episodes involving Ricupero and to the comments made about former soccer star Pele. The former soccer player was criticized by soccer commentator Galvao Bueno during an interval in the transmission of the World Soccer Cup matches. On both occasions parabolic antennas caught the dialogues.

Reactions to Ricupero's Resignation

PY0609164994

[Editorial Report] There have been reactions in the Brazilian media to the replacement of former Finance Minister Rubens Ricupero by Ceara Governor Ciro Gomes.

Sao Paulo AGENCIA ESTADO on 5 September at 1413 GMT carries a 50-word report datelined Brasilia stating that outgoing Finance Minister Rubens Ricupero said, as he ended a class at the University of Brasilia, he considers the choice of Ceara Governor Ciro Gomes to replace him as "excellent." He added that he harbors no ill feelings over the episode that led to his resignation, which he considers a personal accident.

The same news agency, on the same day, at 1950 GMT, carries a 200-word report stating that Orestes Quercia, presidential candidate for the Brazilian Democratic Movement Party, PMDB, has said the choice of Ceara Governor Ciro Gomes, a member of the Brazilian Social Democracy Party, PSDB, does not represent the end of the government problems, but rather the beginning. He said: "Out goes Ricupero, who was linked with Fernando Henrique Cardoso and who even confessed the crimes he committed in favor of his candidacy, and in comes Ciro Gomes, who is even closer to Fernando Henrique." Quercia, an old political enemy of Gomes, questioned the latter's technical capability.

The same agency, on the same day, at 2157 GMT, carries a 600-word report on reactions to the episode among economic operators. It reports: "The remarks by former Finance Minister Ricupero cost $15 billion on the Sao Paulo Stock exchange in just one day. That corresponds to a drop of 10.7 percent on the shares negotiated in Sao Paulo on 2 September. The greatest falls were suffered by the Sao Paulo State Bank, Banespa, which lost 19.2 percent; Bank of Brazil, 17.2 percent; Brazilian Petroleum Corporation, Petrobras, 13.8 percent; and Brazilian Electric Power Company, Inc., Eletrobras, 13.2 percent." The episode did not have a direct effect on other capital market businesses. The main effect of the finance minister change was on the stock exchange. Pactual Bank Director Florian Bartuneck said that the drop of prices must be really understood as the "greatest devaluation of the year." Carlos Langoni, director of the International Economic Center of the Getulio Vargas Foundation, said: "The unstable Brazilian economic administration has become evident to foreigners," and "this affects our credibility."

The same agency, on the same day, at 2250 GMT, carries a 500-word report on reactions by the Sao Paulo industrialists. Olivetti President Enrico Misasi said the change was "optimum." Carlos Eduardo Moreira Ferreira, president of the State Federation of Industries, FIESP, and the Sao Paulo State Industries Center, CIESP, said: "No one wanted a change of minister but, given the choice, the change of command at the economy must be the object of praise and swiftness." During the FIESP directors meeting on 5 September, businessmen expressed support for Ciro Gomes. "I believe he will guarantee the continuity of the economic stabilization process," Moreira Ferreira said. He criticized Ricupero for describing Brazilian businessmen as "bandits." He added that he accepts the public apology by Ricupero on 4 September. The FIESP directors regretted Ricupero's intention to reduce import taxes as an instrument to retaliate against high domestic prices.

CIESP Vice President Mario Bernardini said: "The informal interview caught by parabolic dishes causes insecurity among economic agents because it affects the credibility of the whole economic team." Joseph Courin, president of the Sao Paulo State Micro and Small Enterprises Union said "the episode has a positive aspect because it has brought to the economic field an individual who is very concerned with the interests of the small and middle size companies." Carlos Eduardo Uchoa Fagundes, president of the Light Bulb Industry Union said: "Ciro Gomes is a man with clear ideas and firm objectives, and he will administer the plan."

On 6 September, in its usual 1000 GMT newscast, Brasilia Radio Nacional da Amazonia, released a three-minute report saying that PMDB presidential candidate Orestes Quercia filed before the Superior Electoral Court, TSE, a complaint against PSDB candidate Fernando Henrique Cardoso and against former Finance Minister Rubens Ricupero. Thus, the TSE has given them five days to present their defense. Quercia demands an investigation to clarify the implications of the statement by Ricupero last 1 September which proves government actions in favor of Cardoso's candidacy. Depending on the result of the case, Cardoso's candidacy may be suspended and he may not be entitled to run for a political post for the next three years. Leonel Brizola's Democratic Labor Party, PDT, and Lula's Workers Party, PT, have also filed complaints against Cardoso, always based on Ricupero's indiscreet statements. Brizola asked the TSE to open a criminal case against former Finance Minister Ricupero because he understands the conversation between Ricupero and journalist Carlos Monforte proves the former minister's use of the real plan to favor Cardoso's candidacy. Beside filing complaints against Ricupero, the PT also filed complaints against the planning, health, and education ministers as well as against the Federal District governor for "favoring the candidacy of Cardoso."

Candidates View Ricupero's Resignation

PY0709174394

[Editorial Report] Rio de Janeiro Rede Globo Television in Portuguese at 2300 on 4 September carries, in its

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"Fantastico" program, 30 minutes of the presidential candidates' free electoral propaganda time which is normally broadcast on Sunday evenings. This program begins with the 8-minute space given to the presidential candidate of the Brazilian Social Democracy Party, Fernando Henrique Cardoso. As do most of the other candidates after him, Cardoso refers to former Finance Minister Rubens Ricupero's recent resignation and the incident that caused it. Cardoso first refers to charges that the government mechanisms are being used to secure his election and retorts: "Polls show that my candidacy is supported by young and old, poor and wealthy Brazilians countrywide. I do not need the government machinery to campaign for me; that is not my style." He adds that if any official has the "unfortunate" idea of using the government mechanisms to help him "may he or she be punished." He then refers to "Ricupero's fall," which filled the entire country with concern for the real, and urges all "Brazilians to ensure the success of the Real Plan, which was prepared by a competent team and is supported by President Itamar Franco." He challenges the other candidates "to present their proposals and plans if they are better than the Real Plan," and asks them not to destroy this hope, this plan which "is good and is supported by the people." Cardoso also refers to the satisfaction of having received support for his candidacy from Deputy Antonio Britto, of the Brazilian Democratic Movement Party for Rio Grande do Sul State.

The last candidate to use the free electoral propaganda time is Workers Party presidential candidate Luiz Inacio Lula da Silva. The four-mimute space begins with sentences taken from Ricupero's conversation with journalist Carlos Monforte, which were inadvertently broadcast, and portions of the dialogue. Lula then appears on the screen and says that "after listening to Ricupero's comments, I want to talk to my people and quote a biblical passage by Jesus: 'You will know the truth, and the truth will set you free.' The minister has just mocked the feelings of a nation. Involved in this is not only the person of the minister, but the entire government apparatus, in addition to an official candidacy and, particularly, Rede Globo Television. Thank God, however, lies have short legs, and this time, unlike what occurred in 1989, we were able to disclose their tricks 30 days before the elections and not three years afterward." Lula concludes by saying: "I want to build a country where my people will never lose hope, where my people will be certain about economic stability, about the end of inflation, about their jobs, and their salaries. Above all, however, the Brazil we want to build, the country of our dreams, must be a country with a great deal of ethics."

Survey Minimizes Impact of Ricupero Affair on Cardoso

PY0709174894 Rio de Janeiro O GLOBO in Portuguese 6 Sep 94 p 16

[From the "Swann" column by Ricardo Boechat: "Surveys"]

[Text] The Vox Populi polling firm conducted a survey on 4 September among viewers of the free electoral program broadcast that night to gauge the impact of the Ricupero affair on the presidential race.

Vox Populi concluded that the incident will not shake Fernando Henrique Cardoso's candidacy.

Carlos Augusto Montenegro of the Brazilian Public Opinion and Statistics Institute yesterday told a client that he agrees with the above conclusion.

Montenegro said: Most voters feel nothing has happened that would make them change their vote.

Franco To Dismiss Officials Helping Candidates

PY0609022694 Brasilia Voz do Brasil Network in Portuguese 2200 GMT 5 Sep 94

[Report by Luiz Augusto Mendonca from Planalto Palace]

[Text] President Itamar Franco has vowed to dismiss any government official who might use his office to benefit any candidate to a political office. Franco made these remarks to Vicente Paulo da Silva, aka Vicentinho, president of the Sole Workers Center [CUT], during a brief meeting at Planalto Palace.

[Begin Vicentinho recording] During my meeting with the president of the Republic, I conveyed to him our concern about the salary issue, and I made it clear to him that the salary campaign is not linked to the election. He fully agreed with me and told me he is certain there is no such connection.

I also told the president that he should take firm action against those ministers and officials who are working for political candidates and the use of the government apparatus in the campaign. The president told me that he will dismiss those engaging in such activities. [end recording]

Vicentinho is scheduled to meet again with President Franco next week to discuss CUT demands, including adjustment rates for workers who are due to renegotiate their contracts in September.

Franco Denies Government Support of Cardoso

PY0709175894 Brasilia Voz do Brasil Network in Portuguese 2200 GMT 6 Sep 94

[Live report from Planalto Palace by Luiz Augusto Mendonca]

[Text] President Itamar Franco has just answered, in writing, three questions put to him by journalists serving at Planalto Palace. The first question is as follows:

The newspaper CORREIO BRASILIENSE today published an official letter by Mines and Energy Minister Alexis Stepanenko suggesting that you attend the dedication ceremony in which the port of Barra dos

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Coqueiros, in Sergipe State, will be put into operation, and thus strengthen the candidacy of presidential candidate Fernando Henrique Cardoso. Did you receive this document? According to CUT [Sole Workers Center] President Vicente Paulo da Silva, you said that if there was evidence the administrative machinery had been used to strengthen candidacies, you would dismiss the minister. Would this be cause to dismiss Minister Stepanenko?

President Itamar Franco answered the following:

Minister Alexis Stepanenko's suggestion was not accepted. As a matter of fact, it was not even taken into consideration, as the newspaper that published the charges made sufficiently clear on page 8 of its first section of the same edition. The president said: There is a huge difference between receiving a suggestion and accepting it. In the case under discussion, the suggestion has not been accepted. On the contrary, the dedication ceremony—which was more than legitimate—was not even scheduled. Such a fact may not be unprecedented, but is extremely rare in times such as the ones we are living in. If the administrative machinery has not been used, how can I admit punishment? No crime has been committed; ideas are only punishable in dictatorships and other totalitarian regimes, President Franco said. This administration has not admitted, and will not admit, any sort of illicit act at any of its echelons in favor of any public employee's candidate. This administration will not be intimidated by mesmerizing campaigns seeking to confuse national and international public opinion, such as the one recently staged.

The second question the journalists asked President Franco was:

What influenced you most and made you appoint Ciro Gomes to the Finance Ministry?

President Franco said that Governor Ciro Gomes, who was personally chosen by the president of the Republic, has been proving himself to be an effective and dynamic administrator. In addition to that, his past honesty and probity in dealing with public interests is a recommendation that he will exert himself in this or any other public position.

Finally, the journalists asked President Itamar Franco whether former Minister Rubens Ricupero can really be appointed for the Brazilian Embassy in Rome, and why.

The president answered that former Minister Ricupero is a diplomat, that he has a great deal of professional experience, and is—therefore—able to head any Brazilian diplomatic mission. He concluded by saying, however, that the Brazilian Embassy in Rome is not vacant and the question is, therefore, impertinent.

U.S. Consultant Advising Cardoso Termed 'Illegal'

PY0709172894 Sao Paulo FOLHA DE SAO PAULO in Portuguese 2 Sep 94 p 3

[From the Brasilia Bureau]

[Text] The informal advice that U.S. consultant James Carville is giving PSDB [Brazilian Social Democracy Party] presidential candidate Fernando Henrique Cardoso is illegal. Carville is an adviser to U.S. President Bill Clinton.

Informal help by foreigners in election campaigns in Brazil is banned under the 1971 LOPP (Organizational Law of the Political parties) and Law No. 8713/93, which regulates the 1994 elections.

Article 91 of the LOPP bans the party from "directly or indirectly receiving contributions, pecuniary aid, or any aid that can be estimated in money from a foreign person or organization."

Article 45 of Law No. 8713 states that parties and candidates are banned from receiving any donation "in money or aid that can be estimated in money" from "foreign organizations or governments."

Advice by foreign enterprises for election campaigns is allowed because it is permitted by Brazilian legislation.

In this case, the candidate must draw up a contract and prove that the outlay was covered with legally obtained resources, for example from donations by national enterprises within the limits of the law and protected by the emission of electoral bonds. On 1 September Cardoso adopted a dubious attitude regarding his relations with Carville.

Cardoso confirmed that he has met the consultant. He said: "I know him. He is a formidable fellow, a competent man."

Cardoso said one of those encounters occurred during Clinton's inauguration in January 1993. FOLHA DE SAO PAULO has discovered there was another meeting in July in Sao Paulo.

Cardoso has said there is no wrongdoing if he has signed a contract with the consultant. The problem resides in the fact that the PSDB denies the existence of the contract.

Pimenta da Veiga, president of the PMDB [Brazilian Democratic Movement Party], has stressed that he was invited to a meeting between members of the PSDB's election campaign and Carville. "It just so happened I could not go," he said.

Highlights of PSDB Platform Noted

PY0709001094 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 25 Aug 94 p A12

["Excerpts" of Brazilian Social Democracy Party, PSDB, program of government]

AGRICULTURE

Brazilian agriculture has witnessed true miracles without a consistent government policy, and with a precarious

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transportation infrastructure. Despite everything, agricultural production has grown year after year. In 1994, crops yielded a historical record of 76 million metric tons of grain. Yet there is still much poverty in rural areas, especially in the northeastern region.

Agriculture is a strategic sector, because it can fight starvation, create jobs, promote development in rural areas, and increase exports. Fernando Henrique Cardoso will make a true revolution in rural areas. In addition to adopting measures for increasing production—seeking to reach 100 million metric tons of grain in five years—he will reduce regional imbalances with a fair and responsible policy. Priority will be attached to irrigation, especially in small and mid-sized properties in the northeastern region. Even without support, farmers have managed to make a lot. With the Cardoso government measures, they will make a lot more. Proposals:

—abundant, cheap basic basket;
—development of agriculture with preservation of the environment;
—increased food production, a fight against squandering;
—programs for supporting the organization of and production by small farmers;
—creation of new jobs, with people's guarantee for rural workers;
—irrigated area increased by 50 percent;
—incentives to achieve technological development;
—investment in transportation, electrification of rural areas, and communications;
—responsible agrarian reform with support for the families to be settled on new properties;
—guarantee of good returns on the land; credit, insurance, suitable minimum prices, and easing of the taxation burden.

EMPLOYMENT

Brazil has been enmeshed in a serious economic crisis for more than 10 years. This has led to unemployment and dire poverty. Inflation has eaten into the purchasing power of Brazilians and has increased the gap between the rich and the poor. A total of 3.4 million people are unemployed, and the number of those who are underemployed in the so-called "informal economy" is much greater. One in four Brazilian workers does not have an employment card [where social security contributions are registered] [carteira assinada]. In the six leading cities of the country, one in four workers earns less than the minimum wage and nearly 40 percent earn less than the value of two minimum wages. It is necessary that the private sector should once again offer productive and well-paid jobs.

In Brazil, 16 percent of the labor force that has a job either does not have any schooling or has very little schooling—less than a year. Of 100 workers, 68 did not finish the first form. This low level of education has an adverse effect on productivity, salaries, and the stability of employment. Brazil is one of the countries having the least job security in the world. Proposals:

—inflation control to encourage company investments and the creation of jobs;
—special incentives for labor intensive activities: agriculture (particularly small and medium sized properties), tourism, works of infrastructure, and low cost housing;
—credits, incentives, and training programs for micro, small, and medium sized companies, rural and urban cooperatives, and producer associations;
—new professional education program to adapt workers to labor market changes and special programs for 14 to 21-year-old youngsters [word indistict] unemployed and [word indistinct] handicapped;
—strengthening of the job insurance program, associated with training and the rehiring of unemployed workers;
—creation of a national employment program with states and municipalities and in partnership with community associations;
—encouragement of free negotiation and collective labor contracts;
—real increase of the minimum salary through a joint decision by workers, entrepreneurs, and government;
—regulation of workers' share in company profits;
—improvement in the system of preventing work-related accidents and illnesses.

HEALTH

Despite some positive results in the area of public health, such as vaccination programs, the population's health continues to be threatened. Every minute a child of one to five years of age dies as a result of the people's lack of access to jobs, income, education, sanitation, foodstuffs, and health services.

Federal resources allocated to the area, which were already insufficient in 1989 when the government spent 80 reals [R] per person, have decreased to R 45 in 1993.

We have 5 million people contaminated with Chagas disease and schistosomiasis, 280,000 lepers, and 100,000 people affected with tuberculosis. Each year more than 500,000 new malaria cases are registered in the country. In 1993, more than 50,000 confirmed cases of cholera were registered, and 561 of them proved fatal. So far, 50,000 cases of AIDS have been registered in the country, 20,000 of them fatal.

Most expenses within the health sector are concentrated on maintaining a huge and ineffective net of medical-hospital services of an unsatisfactory level. Nearly 25 percent of the equipment found in the public hospitals—an asset worth an estimated R 2 billion—is out of order. Proposals:

—give priority to propaganda about and prevention of illnesses;
—restore hospitals and public health posts and improve the quality of their services;
—ensure stable and permanent sources of financing and increase amount of resources allocated to the health sector;

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—severely fight corruption, fraud, and waste in the health system;
—definitively implement the Unified Health System (SUS) through municipalization of the system;
—establish sanitary districts ensuring that all will have access to units responsible for rendering overall health assistance to families;
—support the program that places communitary health agents throughout the country;
—give overall health assistance to women and children;
—ensure supply, through a public network, of medicines that are essential to preserve the health of the people;
—ensure that citizens participate in controlling and supervising the SUS' performance through health councils.

EDUCATION

Brazil has four million children from 7 to 14 years of age out of school. They cannot enroll because a large number of students who fail their exams crowd the schools. More than half of the children fail their first grade in school.

Only 2 percent of the children who attend first grade will finish the eighth grade without failing any year. It takes Brazilian children an average of 12 years to finish the eight years of elementary school.

Before finishing elementary school, many students quit school with a strong feeling of defeat and without having been trained for life, despite many years of efforts and sacrifices.

If this situation does not change, only in the year 2100 will we be able to ensure all youngsters the right to finish the eight years of elementary school. To give them the chance to complete their junior high-school course, we will have to wait until the year 3080.

Can the country wait all this time? Of course not. It is not our children who are failing, but our schools. Bureaucracy suffocates elementary school, which does not guide the children, does not stimulate them, and does not evaluate them, although it keeps most of the public resources.

It is not that Brazil spends little on education, but rather that the country spends very badly the resources allocated to that area: only half of the public resources really reach the classrooms.

The elementary and high schools are under the jurisdiction of the state and county governments, but the federal government can do a geat deal to improve this situation. Proposals:
—implement, together with states, counties, schools, teachers, and the community, a program to improve the level of elementary school education;
—establish objective and open criteria for the distribution of federal resources, rewarding the states and counties that present the best results in the level of elementary education;
—help states and counties to ensure that all children between the ages of 7 and 14 who are out of school can have a place to study.
—create a school performance monitoring system and eliminate bureaucracy and excessive expenditures in administrative areas of schools, so that the resources are really used in improving the situation at the classrooms;
—give assistance to states and counties to help them increase the salaries of elementary and high school teachers, and improve their training and professional renewal and upgrading in accordance with the guidelines of the program seeking to improve the level of elementary school education;
—stimulate the community's participation in heading schools, evaluating the teaching system, and demanding good results;
—ensure that all children have a chance to enroll at high schools and improve the level of the night school courses, the supplementary courses, and the professional training courses, as well as technical schools, with the help of enterprises, labor unions, the Senai [National Industrial Apprenticeship Service] and Senac [National Trade Service];
—municipalize the school snack and guarantee a regular allocation of resources;
—establish quality standards for the textbooks and stimulate schools to participate in choosing them;
—increase the level and effectiveness of the public and private universities. Expand partnership between university, community, and enterprises. To reduce the idle capacity of the public universities, promote their autonomy, and establish a system to evaluate their performance, as well as support research and sicentific and technological development at universities and research institutes.

SECURITY

The people's lack of confidence in the authorities increases everyone's concern over security, particularly in the largest cities. Without resources or the appropriate organization, the police and the courts cannot stop the escalating crime and violence.

The situation of the state police corps is pecarious. There is a shortage of policemen on the streets. Police control tasks are performed mostly by dedicated men who do not, however, have good equipment, training, or salaries. Police questioning is delayed and investigations are stacked in drawers, before any conclusion is reached. The situation of the Federal Police and Highway Patrols is not any better. The Federal Police has fewer than 6,000 men, instead of the 20,000 it should have. The Highway Patrol posts are abandoned. Lawsuits pile up in the courts and mistaken laws make the lives of criminals easier. While the white collar criminals remain at ease, the overcrowded jails function as crime schools for the poorest, who comprise 95 percent of all people arrested in the country. Almost half of the prisoners are kept in

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irregular confinement in public jails that are also overcrowded. Meanwhile, more than 300,000 arrest warrants cannot be complied with for lack of space in the jails. Proposals:

—a permanent program against violence and impunity;
—guarantees that all citizens, rich and poor, have the right to a swift and effective judicial system;
—refurbishing and expansion of jails;
—federal government support to states to allow them to equip and train their police forces;
—more Federal Police action in repressing the smuggling of weapons and drug trafficking;
—cooperation by the Federal Police and Armed Forces with the state police forces to fight organized crime;
—intensify federal revenue's fight against tax evasion;
—federal revenue support in investigating narcotics-related crimes, corruption, smuggling, and abuse of economic power;
—use of assets and money seized from drug traffickers, smugglers, and corrupt people to finance the fight against crime and improve the citizens' security.
—stronger control of government expenditures and actions to end corruption.

Police Seize 'Arsenal' in Cuban Businessman's Home

PY0509215894 Sao Paulo AGENCIA ESTADO in Portuguese 2310 GMT 1 Sep 94

[Text] Rio de Janeiro, 1 Sep (AE)—The Civil Police today exhibited 44 smuggled weapons, including latest generation rifles and more than 100 boxes of ammunition of various calibers. They were seized on the night of 31 August at the home of businessman Fernando Octavio De La Riva Ramiro Averhoff, who owns the Baixa Grande Sugar Mill, in Campos county, in the northern part of Rio de Janeiro State. Police learned about the arsenal through an anonymous phone call reporting that the weapons would be sold to the gangs of drug traffickers Ernaldo Pinto Medeiros, aka Ue, and Miltinho of Governor Island.

Averhoff, who is of Cuban origin, kept the weapons in several rooms of the house which not even his children were allowed to enter. Averhoff's family, who were exiled 30 years ago, came to Brazil after having all of their assets confiscated by guerrilla leader Fidel Castro. In February 1993, Averhoff's daughter, Marina De La Riva, married Joao Pedro Flexa de Lima, son of ambassador Paulo Tarso Flexa de Lima.

Investigations were commanded by Police Inspector Daniel Gomes Bandeira de Melo, head of the 56th Police Precinct, of Comendador Soares, on the outskirts of Rio de Janeiro, who had received the phone call. The arsenal consisted of several rifles, one of which was manufactured in England, with a laser sight, in addition to weapons with infra-red sights. Averhoff's relatives said that he had been collecting weapons since he left Cuba when Castro took power. According to friends of Averhoff, a strong anti-Castroist, his main dream was to invade the island and oust Fidel Castro's regime.

The order to search the businessman's home and seize the weapons was issued by the Fourth Federal Court of Rio de Janeiro. The weapons and ammunition were sent to the Federal Police. Among them were four submachine guns, five 357-caliber revolvers, four 44-caliber revolvers, six 9-mm caliber Magnum pistols, a light automatic rifle made in Argentina, an AR-18 British-made rifle with laser sight, three AR-15 rifles, a semiautomatic 18-caliber carbine, and two grenades, in addition to old weapons and dozens of boxes of ammunition for weapons of all the calibers seized.

Police Inspector Paulo Souto, director of the Baixada Fluminense General Police Department, estimated the value of the seized weapons at nearly 150,000 reals. According to Souto, Averhoff did not have any Army permit to collect weapons. As of late this afternoon, police had not found Averhoff. Sugar mill employees told the policemen that their boss was traveling.

Australian Minister Supports Brazil's Entry in UN Council

PY0509205994 Rio de Janeiro JORNAL DO BRASIL in Portuguese 1 Sep 94 p B 3

[From the "Danuza" column by Danuza Leao: "The First World"]

[Text] Foreign Minister Celso Amorim has obtained Australian Foreign Minister Paul Keating's support for Brazil's admittance into the UN Security Council.

Next year, when the United Nations celebrates its 50th anniversary, other countries will request admittance as permanent members of the UN Security Council. The council is currently comprised of only five countries.

Chile

Lawmakers: End of Embargo Might Help Cuba's Democratization

PY0709174594 Madrid EFE in Spanish 1748 GMT 5 Sep 94

[Text] Santiago, Chile, 5 Sep (EFE)—On 5 September, left- and right-wing Chilean lawmakers (belonging to the ruling party and the opposition respectively) were of one mind about the fact that the lifting of the embargo imposed by the United States on Cuba might expedite the democratization of the Caribbean island.

Lawmakers aired these views—which were published by the Chilean press—at a time when the United States and Cuba are holding negotiations in New York to seek a solution to the immigration problem caused by Cubans refugees who have fled their country.

Jose Antonio Viera-Gallo, the Socialist Party bloc leader in the Chamber of Deputies, voiced his opposition to the embargo imposed by the United States on Cuba and

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pointed out that this subject had to be included at the Summit of the Americas that will be held in Miami the forthcoming December.

Despite having condemned the U.S. embargo at all international forums, Chile and Paraguay are the only Latin American countries that do not have diplomatic relations with Cuba.

Viera-Gallo said: "Latin America cannot remain impassive vis-a-vis the dreadful plight of the Cuban people." He underscored that the embargo "benefits hardliners within the Cuban Government."

He announced that the Socialist Party bloc in Congress will request of Foreign Minister Carlos Figueroa that he put forward these issues at the Miami Summit.

Pedro Daza, a former ambassador and an expert in international relations from the conservative National Renewal (RN, from the opposition) party, said that although the Cuban regime "is run-down," Fidel Castro continues to wield power.

He asserted that the raising of the embargo might contribute to Cuba's evolution into a democracy.

Daza was of the opinion that Chile's position within the OAS had always been to defend and promote democracy throughout the Western Hemisphere.

With regard to the embargo, Daza stated that unilateral sanctions go against international law, adding that the Unites States had not been empowered to impose an embargo on the Caribbean country.

Daza asserted, however, that RN disapproves of the resumption of diplomatic relations between Chile and Cuba, which were severed on 11 September 1973 following General Augusto Pinochet's coup, although they were resumed at the consular level in 1991.

Within the ruling Coalition of Parties for Democracy, Socialists, Radicals, and the Party for Democracy have expressed support for the resumption of full diplomatic relations with Cuba, while the Christian Democratic Party has not yet voiced its opinion, which is dependent on a trip its leaders will make to Cuba.

Figueroa on Andean Free Trade Zone Participation

PY0509215394 Santiago LA TERCERA DE LA HORA in Spanish 18 Aug 94 Economy Section P 3

[Excerpt] Chilean Foreign Minister Carlos Figueroa yesterday voiced Chile's willingness to strengthen economic ties and to participate in a free trade zone in the Andean region. He asserted that the conditions for a free trade zone in this area are surfacing in view of the bilateral agreements that have been reached and the ones to be negotiated with the Andean region countries.

Figueroa made these comments as he opened the Second Andean-Chilean Businessmen's Meeting. Chilean President Eduardo Frei, ministers of state, representatives of the Cartagena Board and the Andean Group, ambassadors and businessmen from Bolivia, Ecuador, Colombia, Venezuela, Peru, and Chile also attended the opening of this meeting that will end tomorrow at the Carrera Hotel.

The meeting seeks to establish business cooperation agreements, investment agreements, and strategic partnerships, and to promote the exchange of technology to increase trade between the countries participating in the event.

Foreign Minister Figueroa, in addition to mentioning the economic development of the Andean countries, said that the governments of the region have the duty to create a free trade zone and explained that "the private sector is responsible for its best use and further development."

He said, however, that Chile understands that regional integration is an open, flexible, gradual, and pragmatic process. Therefore, the country has great hopes that a great regional economic area will be established. [passage omitted]

Finance Minister Discusses Free Trade Agreement

PY0209194294 Santiago ESTRATEGIA in Spanish 19 Aug 94 p 7

[Excerpt] Finance Minister Eduardo Aninat yesterday stated that "Chile is not willing to sign just any agreement, but rather one that will contribute to the country's well-being; that will improve the Chilean people's living standards; that will generate more job opportunities; and, above all, that will modify the country's productive apparatus."

Aninat noted that the government is especially interested that the working conditions in Chile not worsen, but rather improve with the free trade agreements.

The finance minister made these statements during a symposium organized by the United Labor Confederation [CUT] to assess the impact bilateral or multilateral agreements will have in the economic, social, and environment fields.

Aninat, however, had previously participated in a meeting to assess Mexico's experience as a NAFTA member, organized by the Producton and Trade Confederation at the ECLA [Economic Commission for Latin America] headquarters.

Aninat admitted that a free trade agreement would have clear effects on various areas of the Chilean economy, favoring ones such as services, wood industry, and highway infrastructure and affecting others such as certain areas of the textile industry and traditional agriculture.

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He explained, however, that the problems in the short term "should not prompt Chile to establish a barrier and return to the domestic development model and to protectionist measures, a model that has been declared obsolete throughout the world."

Aninat said that "if there is an opening, it must be for all."

He also said that it is important that the establishment of regional blocs be marked by a great opening to prevent the world from engaging in a sort of regionalization in closed blocs. Aninat said: "This would be nefarious and dangerous for all of us." [passage omitted]

Government Seeks 'Honorable Agreement' on Reforms

PY0209000294 Santiago EL MERCURIO in Spanish 17 Aug 94 p C2

[Excerpts] The government will try to reach an "honorable agreement" with the opposition regarding the six constitutional reforms of a political nature that it is about to submit to Congress, despite the fact that the National Renewal Party [RN] has already announced that it will reject most of them.

RN has stated that it will only accept two of the reforms, while the government's objective is to obtain the approval of at least three of the reforms, which will be submitted to Congress by tomorrow at the latest.

Interior Minister German Correa, Secretary General of the Presidency Genaro Arriagada, and Secretary General of Government Victor Manuel Rebolledo met yesterday at La Moneda Palace with the RN leadership headed by Andres Allamand, Roberto Ossandon, Ricardo Rivadeneira, Carlos Reymond, and Arturo Longton to discuss the series of constitutional reforms. [passage omitted]

According to a high-ranking government official, an "honorable agreement" would entail an agreement regarding at least one of the harshest reforms, that is, the elimination of designated senators.

Another dispute over the issue is the fact that the Coalition of Parties for Democracy [CPPD] and the government want the package of reforms to be treated as a whole, and not each item separately.

According to CPPD leaders, this would be like making a "suit to fit the opposition."

RN President Deputy Andres Allamand, however, at the end of the meeting with the ministers at La Moneda yesterday, explained that while the government regards the reforms as an organic whole, the opposition believes they refer to quite separate matters. He added that each issue should be assessed within its individual framework, "each one separately."

He insisted that in the RN's opinion there is a full agreement with government authorities over two reforms, which should prosper.

Regarding the rest of the reforms, Allamand added that "democracy cannot be built with haughty attitudes and hasty inflexibility. What the government wants is for us to assess the proposals made and, naturally, we are going to do so."

Allamand recalled that they are against amending the electoral system, and that they believe discussions regarding the designated senators should be postponed until late 1996 or early 1997, "but we are going to maintain an open attitude to discuss these subjects, and the debates in Congress will reveal which reforms will definitely prosper and which will not." [passage omitted]

Urges Constitutional Reform Consensus

PY0109213994 Santiago Television Nacional de Chile Imagen Internacional in Spanish 1100 GMT 1 Sep 94

[Text] The government has summoned all political sectors to reconcile their positions so as to achieve a consensus on the constitutional reforms.

[Begin recording] [Unidentified reporter] Minister Genaro Arriagada, secretary general of the government, formally submitted to legislators the constitutional reform package, which among other things abolishes the appointment of senators, modifies the electoral system, and grants more powers of control to Congress.

[Arriagada] I want to be perfectly clear in all this, and say that the executive branch has submitted to Congress a constitutional reform encompassing six issues. We hope to achieve an agreement on these six issues. We hope, of course, to do this within the framework of what we have said, that is, to create a moral and political atmosphere on the basis of respect and tolerance between the government and the opposition. This, I believe, is the most important thing.

[Reporter] For their part, UDI [Independent Democratic Union] and National Renewal [RN] leaders criticized technical editing aspects of this reform package.

[UDI Senator Andres Chadwick] This reform bill is filled with many mistakes and errors, and it is inappropriate. In view of this we are convinced that the government will not submit this constitutional reform package to the vote of the Constitutional, Legislative, and Justice Commissions on these terms. We believe that the administration will not risk a political failure of such magnitude, because on the terms that the bill has been submitted we will be compelled to vote against the bill and reject its enforcement.

[Reporter] There is nothing new on the discussions on the constitutional reform package in Congress. The congressional proceedings for the constitutional reform bills that were submitted during the Aylwin administration took three years and were finally rejected. The Eduardo Frei administration hopes to do better. (end recording]

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Coalition Studies Reform Strategy

PY0609112694 Santiago Television Nacional de Chile Imagen Internacional in Spanish 1800 GMT 5 Sep 94

[Text] The members of the Coalition of Parties for Democracy met today with government representatives to study the strategy to be implemented regarding constitutional reforms. The political leaders also discussed the new leadership elected in the PPD [Party for Democracy]. We have a live relay by (Fidel Ollarzu) from Government House:

[Ollarzu] The Coalition of Parties for Democracy believes there is a new political scene for more optimistic dialogue as a result of the more flexible stand by the representatives of the opposition regarding constitutional reforms. This issue was discussed for more than one and a half hours by the government political committee in its weekly Monday meeting with the presidents of the parties that make up the Coalition of Parties for Democracy. Regarding the election of Jorge Schaulson as the new PPD president, the political leaders said that the criticism made by the president of the Chamber of Deputies against the government will not change the PPD's relations with its allies.

[Alejandro Foxley, president of the Christian Democratic Party] I would like to congratulate the new PPD leadership, especially its new president, Jorge Schaulsohn. I wish them a successful administration. We held preliminary talks with the PPD before the party's elections and I can predict we will have an excellent relationship.

[Camilo Escalona, president of the Socialist Party] We hope the normal disagreements that occur between parties will be overcome by putting the interest of the coalition above everything else. Therefore, we are not expecting any tension or anything like that.

[Ollarzu] Regarding other news from Government House, President Eduardo Frei met with Jose Maria Aznar, president of the opposition Spanish Popular Party, and with FAO General Director Jacques Diouf.

Office for Return of Chilean Exiles Closes

PY0609184694 Santiago LA TERCERA DE LA HORA in Spanish 20 Aug 94 p 12

[Excerpt] Jaime Esponda Fernandez, director of the National Office for the Return of Chileans in Exile (ONR), which has ceased to exist as an institution, yesterday denied irregularities and the lack of openness in the organization. He asserted that during these past four years the ONR has fulfilled its duties "amply, receiving those returning to the country, helping them, and referring them to the institutions that could help them."

Esponda said the criticism and charges by the National Coordination Board of Returnees in cases of corruption and mishandling of funds are "slanderous." He said: "Our office has always strictly abided by the law. It has even granted the people (returnees) custom franchise certificates. There have been some problems because some people did not obtain these certificates." [passage omitted]

Gen. Stange To Remain as Carabineros Head

PY0209002594 Santiago Television Nacional de Chile Imagen Internacional in Spanish 1100 GMT 1 Sep 94

[Text] Commenting on the Supreme Court ruling issued yesterday, Carabineros Director General Rodolfo Stange has stated that there are no problems with his continuing in his post until 1997.

[Begin recording] [Stange] I am very happy with the information that the members of the Supreme Court, with six votes in favor, have unanimously ruled that I am absolved of all charges that were raised [sentence as heard]. This is a satisfaction that I will dedicate to the Carabineros and to my family.

[Unidentified reporter] Will you remain in your post until your term legally expires?

[Stange] What is wrong with that?

[Reporter] General, but beyond the court ruling, the accusing party has noted there is a moral question in this, in view of the tapes in question, and other issues....

[Stange, interrupting] The accusing party can say whatever it likes. This is a ruling issued by the Supreme Court, which is the highest court in the country. In this case....

[Reporter, interrupting] (?But what about the moral issue?)

[Stange] What moral issue?

[Reporter] The fact....

[Stange, interrupting] Who is not complying with moral principles in this case? The accusing party, who refuses to comply with the court ruling, or whom?

[Reporter] There is also the question of your personal responsibility, for allowing a terrorist group to operate within Carabineros.

[Stange] Look, let us not go into details about the contents of the trial investigation and the court ruling. If the Supreme Court, if 12 members of the Supreme Court, eight of whom are civilians, have ruled that I am innocent, I will accept their ruling with great pleasure. I am not interested in what the lawyers of the accusing party say, because logically they will continue to seek public attention.

[Unidentified officer] Walk on; no more questions. [end recording]

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Colombia

Samper Outlines Foreign Trade Policy Guidelines

PA0309031094 Santa Fe de Bogota EL TIEMPO in Spanish 27 Aug 94 p 6A

[Article by Alejandra Castellote]

[Text] The government promised yesterday to continue efforts to rein in revaluation and to assure a reasonable inflation rate in order to favor the export sector.

In Cali, President Ernesto Samper presented the new foreign trade policy guideline which priority shall be to encourage exports of nontraditional products based on a stable exchange rate, a slower rise in the cost of living, and an increase in transportation infrastructure, communications, and electricity generation.

"The economic opening will not be reversed. The friends of reevaluation are the true enemies of the opening," Samper assured.

"If we had stuck to the existing rise in the value of the peso we would have soon seen the end of nontraditional exports."

He said that reevaluation puts an end to all chance for productive expansion and reduces economic activity.

Samper disclosed that next month the government will present an export strategic plan, a mechanism that will fix priorities in foreign sales and international negotiations.

"We will not go back on our goal of turning the opening up into a two-lane highway: imports and exports."

The president said that economic opening, stepping up of regional integration commitments, and participation in the World Trade Organization (WTO) are priorities for Colombia.

Nevertheless, although the agreements with the WTO were reached with large advantages for trade exchanges on a worldwide level, developing nations still have to take strict action to counter protectionism by more powerful nations and to defend the preference barriers still in force.

The government hopes that Congress will ratify before December the draft bill to approve the agreement that establishes the WTO.

"We are conscious, however, that it is not enough to provide some rules and some global commitments. It is necessary to strengthen our capacity to negotiate and to manage these," Samper said while pointing out that Colombia is in the process of establishing an embassy-level representation to the WTO.

In addition, the Government of Colombia expressed its concern that world trade should be an obligatory issue to be taken up within the WTO framework. This has to do with the rapid organization of trade blocs that at a given time could call into question the efficiency of principles of liberalization, as they provide for different treatment of groups of nations.

"Our immediate challenge in this sticky matter is to achieve harmony in the regional integration process within the WTO framework," he noted.

Another is nonbarrier protectionism that will have to be the WTO's top priority as this turns into a trade barrier. He pointed out that there are 192 quasi-tariff [paraarancelarias] barriers applied on Latin American products that wish to enter the European Union. Among these are fitosanitary restrictions, ecological labels, and quotas linked to the harvest seasons.

If within the WTO these neoprotectionist walls are not pulled down, the liberation agreement will become a dead letter, Samper assured.

Still another issue is the need to remove the obstacles faced by developing nations over access to modern production equipment.

Meanwhile, Samper even questioned the inclusion of the so-called social clause within the WTO.

Attorney General's Office Rejects Joint Military Exercises

PA0509043294 Santa Fe de Bogota EL ESPECTADOR in Spanish 31 Aug 94 p A-7

[Text] The Attorney General's Office has rejected joint military exercises with foreign troops in the country.

The Attorney General's Office has concluded such operations must be based on current international laws, adding the Inter-American Reciprocal Assistance Treaty, TIAR, cannot be used as a legal basis for those exercises, much less during times of peace.

The attorney general has concluded with those arguments the operations carried out by U.S. troops early this year in the region of Juanchaco, Valle Department, were not legal and violated constitutional principles.

Nevertheless, he did not call for disciplinary action against former Defense Minister Rafael Pardo Rueda, saying he authorized those military exercises based on an interpretation that had never been questioned by the country's overseeing institutions.

He also submitted a copy of his conclusions to the Chamber of Representatives Prosecuting Commission with the request it continue with the investigations initiated against former President Cesar Gaviria Trujillo, without accusing him directly.

The Attorney General's Office has stated the operations in Juanchaco did not require previous authorization from Congress and the State Council, because it was not a matter of foreign troops transiting national territory

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but, rather, of allowing U.S. Southern Command Marines to carry out certain civilian works in that region of Valle del Cauca.

Attorney General Carlos Gustavo Arrieta Padilla has said it is urgent to revise the procedures regulating military cooperation between Colombia and other nations.

In addition, Arrieta has said "the presence of foreign troops in our country to participate in programs of international cooperation in times of peace requires the drafting of a treaty which respects domestic laws, particularly the Constitution, and which must be approved by Congress and affirmed by the state."

Concerning the specific case of Juanchaco, "it is clear such a treaty between the United States and Colombia does not exist."

Thus, the attorney general has shared the thesis presented by the State Council that Colombia has been conducting for more than 40 years its international relations in the military field based on TIAR, which consists of general guidelines that only stipulate obligations for military cooperation in times of peace. In that sense, he has said, continuing with this practice "will permit the handling of these matters without legal or political controls, which could result in the violation of legal concepts, such as the Colombian people's sovereignty and self-determination."

In concluding his investigations on the Juanchaco case, Arrieta asked the president of the Republic and the Defense Ministry to "review the questionable practices on military cooperation up to this date and to design a general legal framework to guide international relations in that field."

Defense Minister To Prevent More Narco-Wars

PA0709210094 Santa Fe de Bogota EL TIEMPO in Spanish 2 Sep 94 pp 1, 19A

[Article by Ivan Noguera]

[Text] In what could be regarded as a government call on the Valle mafia chiefs to surrender to justice, yesterday Defense Minister Fernando Botero Zea, speaking during a visit to Cali, said he trusted the drug traffickers' good sense to avail themselves of the surrender policy.

Botero said that Colombia is sticking to its commitment to pursue and punish those involved in this business. But he warned that "in no way will we allow the nation to fall again into war."

In Colombia, there will not be another narco-war. This does not mean that the guard will be let down in the struggle against drug trafficking but a repeat of those episodes of violence that shook the nation will be avoided, specifically those that took place in the various capital cities, like Medellin, Bogota, and Cali. These situations endanger the security and lives of people who are usually removed from these circumstances.

Thus was said yesterday in this capital by Defense Minister Fernando Botero, who said that the nation will spearhead a demand for greater commitment and more cooperation from the international community in the struggle against this scourge.

Botero was accompanied Michael Howard, the UK's interior minister, on a visit to the capital of Valle del Cauca.

Meanwhile, Howard stated his support for the Colombian Government when he said that "no one has the monopoly on wisdom in the struggle against crime. We all can learn something from one other. I have not doubt as to the tremendous problem you confront," he commented in referring to the drug trafficking phenomena. The visiting official highlighted the joint effort and cooperation between the two nations in this field.

The two ministers and Cali's mayor, Rodrigo Guerrero, accompanied by Armed Forces Commander General Ramon Emilio Gil Bermudez, the Army's Gen. Hernan Jose Guzman, the Air Force's Gen. Alfonso Abondano, and the Police's Octavio Vargas Silva, visited various sectors of Cali to learn about the Mayor Office's Desepaz [expansion unknown] program. They also visited military complexes in this capital.

Minister Botero encouraged the people of Cali to support the local administration on security issues and the ensuring the tranquillity of the residents of Cali and of El Valle. "In fighting drug trafficking, the Colombian people have paid too high a price. We cannot allow new episodes to endanger the lives of innocent civilians," he said.

In Cali alone, almost 100 people died in attacks during the war between the drug cartels in 1988 and 1991.

In his statement, the defense minister reiterated his support for Alfonso Velasquez, commander of the Special Joint Squad, which is comprised of officers from the Police and the Army. Botero said that the elite group will continue struggling to dismantle and destroy organizations devoted to drug trafficking.

He also indicated that the government hopes that the surrender to justice policy will continue to be used as a sensible and peaceful solution of which the drug traffickers can avail themselves.

Botero said that the visit of the UK interior minister will strengthen the Colombian-UK ties of friendship and cooperation. "Mr. Howard had been able to see the scope of the problem, and he has been a witness to the permanent and decided effort by our security institutions and by the Colombian people in the struggle against drug trafficking," he noted.

Botero said that, as part of the strategies in the struggle against the so-called Cali Cartel, serious sanctions will be

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imposed on members of the Public Force who might be involved with criminal organizations. Special benefits for agents, soldiers, and officers who stand out on this front will be created. This will be in addition to the formation of a Special Anti-Corruption Corps for preventing situations such as those recently discovered among some members of the Cali Police.

The Police commander noted that Minister Howard "took with him an image of a nation that is engaged in a very costly task that takes up 24 hours with results that no other nation can show."

Minister Dispels Rumors About Talks With Rebels

PA0209221494 Santa Fe de Bogota EL TIEMPO in Spanish 26 Aug 94 p 8A

[Text] "There are no talks with the guerrilla groups; there are no secret meetings or regional dialogues," Government Minister Horacio Serpa stated yesterday in denying rumors about hypothetical contacts with guerrilla groups to explore the road to peace.

Serpa said the only thing that can be positively asserted in this concern is what President Ernesto Samper said in his inauguration speech—that he has the political will to seek peace and is alert to any signals the rebel groups may make in this concern.

Referring to the latter, the minister recalled that President Samper found positive elements in a letter issued by the FARC [Revolutionary Armed Forces of Colombia] last week—simultaneous to the massacre of military and civilians in Tado (Choco Department). "There is nothing else," Serpa reasserted.

He emphasized that the government thinks this issue should be handled with discretion and care, avoiding haste.

"We do not want to repeat what happened on previous occasions," he said, referring to experiences like the one in Tlaxcala, which did not lead to peace but became a contest between the parties.

He admitted that during the dialogue they tried to hold in the Mexican city, things reached such an extreme that even though guerrilla groups were no longer interested in the dialogue's results, they stayed on at the negotiating table and used it as a setting to state their ideas.

"The FARC spokesman talked to RCN [Radio Cadena Nacional] at 0830, and I answered him via Caracol Network at 1000," Serpa said jokingly when he summed up the situation.

The government minister made these statements yesterday during the luncheon-news conference he holds every Thursday at the Center for Colombian Studies.

Serpa added he does not consider excessively optimistic the 100-day goal set by the Samper government to offer Colombians a study of and solution to proposals on the peace issue, because it is a matter of presenting a diagnosis and a plan to follow in the future.

Nevertheless, he said "it seems guerrilla groups are currently sending messages of conflagration rather than conversation."

Turning to the issue of changes the Samper administration intends to make at the Government Ministry in order to turn it into an Interior Ministry, Serpa emphasized that the reforms strive "to give new meaning to its functions and allow it to approach other more essential functions," including a decentralization and encouraging the citizens' participation.

He warned that the Government Ministry will not neglect issues like public order, and it will "counter all factors that generate violence."

"This will be a direct relationship with departments and a way of carrying out a decentralization; it will be a way of approaching the Colombian provinces, a sort of interior foreign ministry," he explained.

According to the minister, another topic in which the Interior Ministry will become involved will be the territorial reorganization ordered by the 1991 Magna Carta.

Specifically referring to the citizens' participation, Serpa emphasized "there is a laziness in participating, or perhaps there has been no education, or perhaps politicians were somewhat selfish and imposed the belief that politics belonged to the politicians."

He also said: "To encourage new instances for the minorities' participation in politics" his ministry will make sure the Opposition Statute is implemented.

Botero: Police Reorganization To Solve Problems

PA0409144194 Santa Fe de Bogota Inravision Television Canal A Network in Spanish 1800 GMT 3 Sep 94

[Report by Carlos Mario Diaz; from the "Cripton Newscast"]

[Text] After being in his post for less than a month, Defense Minister Fernando Botero in the last few hours stirred a major shakeup in the National Police structure: 92 changes have taken place it the institution's high-ranking leadership. Most of those changes took place in Cali. The crisis prompted by major scandals, such as the dismissal of 40 Cali Police noncommissioned officers and agents linked to the Cali Cartel, the accusations by international organizations of human rights violations, the murder of a Santa Fe de Bogota minor by two drunken agents on leave of absence, among other incidents, expedited the changes in the high command.

[Begin Botero recording] We are convinced we laid the foundations for a better police organization to mend existing problems. [end recording]

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The incident that called the most attention was the dismissal of two high-ranking officers: General Fabio Campos Silva—National Police deputy director, who reportedly had disagreements with his superior, Gen. Octavio Vargas—and Gen. Jairo Antonio Rodriguez, deputy director of the Judicial Police and Investigations Directorate, Dijin.

The government expects to improve the institution's deteriorated image with these historic changes.

Prosecutor General's Office To Handle Surrender Policy

PA0409145094 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 0000 GMT 3 Sep 94

[Report by Alvaro Ayala; from the "24 Hours Newscast"]

[Text] Prosecutor General Alfonso Valdivieso today clearly stated that only his office will directly handle the surrender policy for the Cali Cartel, contrary to what the government of President Cesar Gaviria did.

Prosecutor General Valdivieso and Assistant Prosecutor General Adolfo Salamanca today agreed that their office will independently handle the surrender policy not only for the Cali Cartel but also for all outlaws.

[Begin recording] [Valdivieso] This is a task that concerns the Prosecutor General's Office, and I also believe that these issue must be adequately coordinated, as is the case with many other issues concerning the Prosecutor General's Office.

[Salamanca] The law stipulates a mechanism for tentatively negotiating the sentences, and we will be unconditionally subject to this legal framework. [end recording]

ELN Sets Conditions To Hold Talks With Government

PA0509041794 Santa Fe de Bogota Inravision Television Canal A Network in Spanish 0130 GMT 5 Sep 94

[From the "AM/PM" newscast]

[Text] The Army of National Liberation [ELN] affirmed its willingness today to hold a dialogue with the government but imposed certain conditions and stated the timing is not right to sit down and negotiate.

The ELN Command suggested in a letter to Peace Commissioner Carlos Holmes Trujillo that one of its spokesmen in future negotiations would be Francisco Galan, who is under custody at a military garrison. The rebel group set as a condition to begin talks that its members under arrest be treated as prisoners of war.

The ELN also announced in its letter it will be cautious of the political and security conditions surrounding a possible dialogue. The peace commissioner said today the government will carefully analyze the contents of the letter, in light of the communiques issued previously by the guerrilla organization.

Carlos Holmes Trujillo will meet first thing in the morning with President Samper tomorrow.

Ecuador

Correa To Head Finance, Public Credit Ministry

PA0709225594 Mexico City NOTIMEX in Spanish 2126 GMT 7 Sep 94

[Text] Quito, 7 Sep (NOTIMEX)—In a few days economist Modesto Correa will assume the post of finance and public credit minister in the wake of the resignation of Cesar Robalino, who is facing an interpellation by Congress, official sources reported today.

The sources noted that Correa, until this afternoon the deputy finance minister, is an economist and heads a consulting firm that advises private companies in Guayaquil, a city 420 km southeast of Quito and the country's strongest economic center. The official headed the state-owned National Financial Corporation during the government of Christian Democrat Oswaldo Hurtado (1981-1984).

Robalino's resignation comes on the heels of an interpellation by Congress—controlled by the opposition—because he drafted the controversial monthly system to set the price of fuel, which has been in effect since last February.

In recent weeks the former minister had a run-in with banker Marcel Laniado, then the president of the government entity in charge of privatizations, which prompted the latter's resignation.

Robalino is leaving the country's Economy and Public Finance Ministry at a time when some macroeconomic indicators are consolidating as a result of the adjustment program, although social imbalances persist.

The inflation rate has shown a downward trend after reaching an annual rate of 60 percent two years ago, despite registering a slight increase of 1.54 percent last August.

In May the government reached an agreement with the IMF, and the following month it struck a deal with its private foreign creditors after it had stopped paying principal and interest for seven years.

Local analysts maintain that the social sector is the current administration's Achilles' heel.

Although there are no current data, last year's statistics indicate that the rate of unemployment and underemployment of the economically active population is 58 percent.

For experts, Correa's presence in that ministry, which will have had three ministers in the past 25 months of

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this administration, does not suggest any major changes in the model for economic adjustment liberalization of President Sixto Duran-Ballen.

Peru

Government To Promote Common Stance for Miami, Rio Summits

PY0309031994 Madrid EFE in Spanish 2039 GMT 2 Sep 94

[Text] Lima, 2 Sep (EFE)—Peruvian Foreign Minister Efrain Goldenberg stated today that Peru will promote the adoption of common Latin American stances at the upcoming Rio Group summit in view of the meeting of American presidents to be held in December in Miami.

Goldenberg said that the subjects on which Peru will try to get the Rio Group to adopt common stances are the struggle against extreme poverty, drug trafficking, corruption, terrorism, commerce, and the promotion of investments in the region.

The foreign minister said that the Peruvian Government has some political proposals that President Alberto Fujimori will make in Rio de Janeiro, but refrained from commenting on them "because they are still being drafted."

The Latin American Political Coordination Group, the official name of the Rio Group, will meet in the Brazilian city where it was created, Rio de Janeiro, on 9 and 10 September.

The chiefs of state of the 14 member countries, including Cuba, which has not been invited to the Miami summit; Guatemala, representing Central America; and Trinidad and Tobago, on behalf of the Caribbean countries; will attend the Rio summit.

Panama, which will be represented by its new president, Ernesto Perez Balladares, will rejoin the group as a full member on the occasion.

Moreover, Goldenberg confirmed that after the Rio summit, Fujimori will travel to Puerto Suarez, in Bolivia, to meet with his Bolivian counterpart Gonzalo Sanchez de Lozada and Paraguayan counterpart Juan Carlos Wasmosy.

The purpose of the meeting is to discuss possible agreements that will allow the joining of the Ilo and Matarani ports, in Peru, with Asuncion, so that Paraguay might have an outlet to the Pacific and Bolivia and Peru access to the Atlantic, according to the minister.

In 1992 Peru and Bolivia signed an agreement by which the two countries exchanged an outlet to the sea for Bolivia, through Ilo, and an outlet to the River Plate basin for Peru, through Puerto Suarez.

The agreement also granted Bolivia a free trade and industrial zone and a beach five kilometers long.

'Terrorists' Urged 'To Shoot' Their Leaders

PY0709131694 Madrid EFE in Spanish 1749 GMT 4 Sep 94

[Excerpt] Lima, 4 Sep (EFE)—Peruvian President Alberto Fujimori has urged terrorists who want to surrender "to shoot" their leaders who are not allowing them to surrender in a new warning to take advantage of the repentance law that will expire on 1 November 1994.

"Through the media I would like to send a message to the repentant terrorists: Just kill the terrorist leaders, shoot them and then surrender to the Army," said Fujimori in a speech delivered on 3 September before a crowd in San Martin Department, northeast of Lima.

Fujimori added that he hopes he will not be criticized for his "hard stand" against the terrorists because he believes "the defense of all the Peruvian people" comes ahead of the human rights of the terrorists.

Fujimori made the call to the subversives after revealing that during the military antiterrorist operations being carried out in the Upper Huallaga region, it has been detected through messages left by the terrorist themselves that approximately 150 of them want to surrender under the repentance law but their leaders prevent them by using threats.

Fujimori recalled that the repentance law will expire on 1 November and that this date was chosen because "it is All Souls Day."

He explained that he reached this decision as a premonition because he trusts that from then on, and "very soon," all the terrorists of the Shining Path and the Tupac Amaru Revolutionary Movement (MRTA) "will be locked up" in the country's jails and "never come out."

Fujimori reiterated his call to the terrorists to surrender under the benefits of the repentance law, which established reduced and excepted penalties for those who surrender and cooperate with the security forces. [passage omitted]

Two Bombs Deactivated in Lima Daily Building

PY0609040694 Madrid EFE in Spanish 1716 GMT 5 Sep 94

[Text] Lima, 5 Sep (EFE)—The police reported today that two explosive devices set up by unidentified individuals in the building of the daily LA MANANA were deactivated last night. This seems to be an effort to threaten the daily's directors.

The explosive devices were found by a watchman last night tied to the fence of the building after the unidentified individuals fired shots in the air, apparently to alert people about the bombs.

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Hilda Abad, chief editor of LA MANANA, said the daily has been receiving anonymous calls insulting and threatening the daily's directors since 13 August.

Abad said the calls coincided with the arrival of a letter with "threatening language" from the Lima Federation of Vendors of Newspapers and Magazines rejecting the decision made by LA MANANA to give the sale of the newspaper to a private company.

The federation does not want private companies to participate in the sale of newspapers, but Peruvian officials rejected that position, viewing it as a monopolistic practice.

Mrs. Fujimori To Appeal Prosecutor's Decision

PY0209181894 Madrid EFE in Spanish 1855 GMT 1 Sep 94

[Excerpt] Lima, 1 Sep (EFE)—Peruvian First Lady Susana Fujimori said today she will appeal the decision by the Attorney General's Office to shelve the charges of corruption she made against two former ministers and a vice minister of President Alberto Fujimori.

Without elaborating, Mrs Fujimori said she will submit an appeal before the Lima Attorney General's Office in the next few hours.

On 31 August, Prosecutor Julia Eguia decided to shelve the charges made by Mrs Fujimori, "as no evidence or proof" of any wrongdoing was found regarding the accusations made by Mrs Fujimri against ex-Ministers Oscar de la Puente and Raul Vittor and Deputy Justice Minister Miriam Schenone.

Oscar de la Puente was accused of receiving $100,000 in exchange for authorizing the construction of a housing project and Raul Vittor of granting his company the construction of public schools.

Vice Justice Minister Schenone was accused of inflating the price of her house and using her influence to mortgage the same house twice.

Eguia said that the works allegedly authorized in exchange for a bribe were really stopped by Oscar de la Puente, and the construction bids granted to Vittor's company were given before he became minister.

Eguia also indicated there is no evidence Schenone inflated the price of her house or that she used her influence to obtain the mortgages. [passage omitted]

State of Emergency Extended in Apurimac Department

PY0609003494 Madrid EFE in Spanish 2237 GMT 3 Sep 94

[Text] Lima, 3 Sep (EFE)—Today the Peruvian Government extended for 60 days the state of emergency in four provinces of Apurimac Department, southeast of Lima, because terrorist activities continue in that region.

The measure affects the territories of the provinces of Abancay, Andahuaylas, Aymaraes, and Chincheros. According to a supreme decree published in the official gazette EL PERUANO today, the Armed Forces will be in control of the internal order in that region.

The measure also suspends the individual constitutional guarantees in those provinces.

The decree says that the extension of the state of emergency was requested by the Armed Forces Joint Command to facilitate the operations against terrorism in that region.

Apurimac Department, which is adjacent to the Ayacucho Department, has seven provinces.

Uruguay

Iranian Ambassador on AMIA Case, Argentina

PY0609135594 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1827 GMT 3 Sep 94

[Text] Montevideo, 3 Sep (AFP-NA)—Iranian Ambassador to Uruguay 'Ali Sarmadi-Rad has stressed that his country did not participate in the attack on the premises [Israeli Argentine Mutual Association-AMIA] of the Jewish community in Argentina, and charged that Iran and Argentina were victims of plot hatched up by the United States and Israel.

Sarmadi-Rad stressed: "No Iranians were involved in the incident, and our government is not involved," adding: "There is no reason why Argentina and Iran" should maintain the diplomatic confrontation that already provoked the withdrawal of ambassadors from Tehran and Buenos Aires.

After indicating that the court did not find any evidence with which to accuse Iran of the attack against the AMIA in Argentina, the ambassador said: "It will not be difficult to restore relations."

The diplomat, who is aged 44 and a graduate in business administration from a U.S. university, said the charges that Iranian officials were allegedly involved in the attack were "cooked up" by the Israeli and U.S. intelligence services.

In an interview published in the 3 September issue of EL OBSERVADOR ECONOMICO, the ambassador said "Iran cannot benefit" from the terrorist attack against the AMIA, which resulted, according to an official report, in 95 deaths and more than 25 injured.

Sarmadi-Rad said: "After the attack and before any investigation had begun, just an hour after the explosion, an Israeli official announced that Iran was involved" in the incident.

He added that Iran offered President Carlos Menem "cooperation in the investigation" to identify the perpetrators, but Argentina has not yet answered.

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"We could have offered information. One never knows, it could have even helped to achieve results," he said.

Sarmadi-Rad warned that his country sees terrorism "as an international problem," and shares the Argentine position submitted to the United Nations in that "an international antiterrorist force should be created" to fight this scourge at the world level.

When asked about the support Iran gives to some Islamic terrorist groups such as the Hizballah and the Hamas, the ambassador limited himself to identify them as "political parties located in Lebanon that are fighting for their rights," but denied giving them weapons.

"We support them politically with ideas and with some financial aid to build hospitals, roads, and to purchase vehicles, but we do not support them with weapons," he said.

He warned: "Zionism, not Israel, is Iran's top enemy." He criticized PLO leaders for having embarked on a peace process with Israeli authorities that will not lead to a solution to the Middle East crisis.

"The PLO is a political party that does not represent all Palestinians. It has not obtained (through the agreement) all the land to which they are entitled," the ambassador said after reiterating that Iran "does not approve of that process."

Asked his position regarding the death sentence handed down in 1989 against British writer Salman Rushdie, the author of Satanic Verses in which some passage of the Koran are allegedly criticized, the diplomat avoided answering.

"That announcement was made by Islamic countries, it is an Islamic perspective that Iran cannot change," he said.

Military Not To Participate in Unitas Exercise

PY0609140994 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1917 GMT 4 Sep 94

[Text] Montevideo, 4 Sep (AFP-NA)—The Uruguayan Navy and Air Force will not be able to participate in the so-called Unitas Operation together with Brazil, Argentina, the United States, and Spain because the constitutional deadline that is required has expired without Congress having approved the bill that the executive branch submitted to it on 1 June.

Government sources have reported that the 90-day deadline expired and even though the bill had been approved by the Chamber of Representatives, the Senate did not have a necessary quorum to hold a session, therefore the executive branch "was obliged" to suspend the participation in the 35th Unitas Operation.

The Unitas Operation, which begins this weekend in the Atlantic Ocean, is a joint exercise of Armed Forces to update the training of officers, cadets, and other personnel.

Battleism List 15 Leader Drops Out of Presidential Race

PY0509212894 Montevideo Radio El Espectador Network in Spanish 0930 GMT 2 Sep 94

[Text] Jorge Battle, the Radical Battleism List 15 leader, yesterday gave up his presidential candidacy, asked to run for the Senate, and, after mentioning frequent petitions asking him to quit his faction, said he would never give up the Colorado Party as long as he lives.

Battle expressed surprise over the fact that he was the only one to give up his candidacy. He stressed that after the victory of the no vote in the plebiscite [on a constitutional mini-reform on 28 August], he expected the other candidates to voluntarily follow suit.

Following Battle's dropout, the List 15 leaders began consultations among themselves and on 6 September the national executive board will decide whether it accepts or rejects the leader's decision.

Venezuela

First Cuban Refugees To Arrive 'Next Week'

PA0709234494 Hamburg DPA in Spanish 2137 GMT 7 Sep 94

[Text] Caracas, 7 Sep (DPA)—The first group of Cuban refugees will arrive in Venezuela next week, but the exact number of people is not yet known, Guilermo Alvarez Bajares, Central Information Office director, said today in Caracas.

According to the Venezuelan Government spokesman, the selection mechanism for Cuban refugees is ready. The refugees will be granted a visa in Havana if they have relatives in Venezuela who will assume the transportation and housing expenses.

The formula for the arrival of Cubans was agreed upon by the Foreign Affairs Ministry, the Interior Ministry, and representatives of the Cuban community in Venezuela.

Venezuelan Foreign Minister Miguel Burelli Rivas had previously rejected the U.S. proposal to create Cuban refugee camps in various Latin American countries. This proposal was accepted by Panama.

Next to the United States, Venezuela has the largest Cuban community abroad.

According to the Foreign Affairs Ministry, there are over 5,000 Cuban families in Venezuela. Additionally, anti-Castro organizations have said that in recent months alone, 3,000 Cuban citizens have decided to remain in this country despite the fact that they don't have legal residence permits.

Caldera Shares Pope's Concerns on ICPD Document

PA0509180794 Madrid EFE in Spanish 1846 GMT 2 Sep 94

[Text] Caracas, 2 Sep (EFE)—Venezuelan President Rafael Caldera today said he shares the concerns

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expressed by Pope John Paul II concerning certain concepts included in the final draft of the document to be discussed at the UN International Conference on Population and Development [ICPD].

Caldera explained that he received a letter from the pope expressing concern over "conceptual aspects contrary to ethical principles that support the moral heritage of humanity." Such aspects are included in the draft document that will be discussed in Cairo on 5-13 September.

Caldera said he shares the Pope's views, and he recalled that the Venezuelan Constitution "recognizes the family as an institution and guarantees the protection of children, without any discrimination, from the time they are conceived until they are fully grown."

Regarding this, Caldera noted that Venezuela's position at the ICPD "will be within these guidelines established in our Constitution—guidelines that concure with the guidance provided by His Holiness and my own convictions."

FAC Dismantles International Drug Ring

PA0509134294 Caracas EL NACIONAL in Spanish 31 Aug 94 p D-10

[Report by Alonso Zambrano]

[Text] Maracaibo—In a joint operation, the Anti-Narcotics Division and the 3d and 4th Regional Commands of the National Guard yesterday dismantled an international drug-trafficking ring that was shipping cocaine to the United States, France, and the Netherlands from Maracaibo and Punto Fijo, Falcon State.

Brigadier General German Rodolfo Varela Araque, head of the 3d Regional Command of the FAC [Armed Forces of National Cooperation], confirmed the seizure of 48 kg of cocaine, seven kg of marijuana, 10,000 credit cards, and five vehicles; the fiscal intervention into several export and shrimping companies established along the coasts of Zulia and Falcon states, from where the drugs were being smuggled abroad; and the arrest of eight people of various nationalities. Several raids were conducted in Maracaibo, including one at an apartment in which the cocaine and credit cards were found.

Gen. Varela Araque identified the new drug group as the "Lebanese Connection," but he did not identify the suspects, noting that summary proceedings were still pending.

It was unofficially learned that two of the suspects have the surname of Richani. The Richanis own export companies operating in Punto Fijo, Curacao, and on an island in the Greater Antilles.

Maicao, Maracaibo, and Punto Fijo constitute the area of operation for the "Lebanese Connection," which also includes Venezuelans and Colombians among its members.

The 48 kg of cocaine was discovered inside a truck tire during one of the raids in Maracaibo.

Drug couriers introduced the drug from Maicao, and once in Maracaibo the groups packaged it in the apartment. The "Lebanese Connection" had earmarked a portion of the drugs to be smuggled directly to the United States and Europe. Other individuals were to handle another portion of the drugs, shipping them by air from Maracaibo to Caracas, from where they would be sent abroad. Some of the cocaine also was to be sold domestically.

Gen. Varela Araque announced that today he will release other important details of this operation, which lasted two months. Judges and public prosecutors yesterday took additional actions in conjunction with the National Guard, which could lead to new arrests and fiscal intervention in more companies.

Ministers Approve Decree on Currency Exchange

PA0709163394 Caracas EL UNIVERSAL in Spanish 1 Sep 94 p 2-1

[Text] The Council of Ministers has approved a partial reform of Decree 286 which regulates the country's currency exchange system. Economic Support Minister Luis Raul Matos Azocar, coordinator of Currency Exchange Administration Board, explained.

[EL UNIVERSAL] What are these modifications?

[Matos Azocar] One of these changes involve deposits [fianza]. Decree 268 establishes that guarantees other than deposits can be applied but only to letters of credit. "This affects most of the country's direct imports. Now, by incorporating this decree, it is up to the Board to demand deposits or any other guarantee. We can make the mechanism perfectly flexible now."

Another point is that the previous decree, although permitting the repatriation of capital for foreign investors, was considered within the definitions of capital and foreign investment contemplated in the Andean Pact. With this modification, we can now include other investments such as those made through the stock market.

According to Matos Azocar, this will make those who purchased debts of enterprises in the country or who have shares in Venezuela more flexible "with regard to repatriating interests and profits generated from such investments."

He added that the Board has already drafted a resolution to give preferential treatment to countries that are signatories to the Andean Pact and ALADI [Latin American Integration Association] so that they can use the currency of the respective country and "make subsequent currency adjustments in accordance with the central banks of those nations to the ALADI signatories."

The third reform of Decree 268 increases to 10 percent the amount enterprises can retain abroad to cover operational expenses. Matos Azocar also said that another

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reform involves the treatment of state enterprises which will be protected under the new decree regulating the national currency exchange system.

He stressed that so far the Board has approved more than $400 million in requests for foreign exchange and has processed more than 500 requests through the Currency Exchange Administration's Technical Office.

Matos Azocar added: We think that in a very short term, we will reach the goal we announced which is to have a flexible currency control system, but protecting our basic reserves at the same time.

Furthermore, he noted that a campaign will be carried out to teach the operational mechanism of the currency control system. This campaign will be especially for firms that are new to imports.

Ministers Trying To Settle Airline Situation

PA0609142394 Caracas Union Radio Network in Spanish 0200 GMT 4 Sep 94

[Report by Cecilia Callone from the "Union Radio News" newscast]

[Text] Labor Minister Juan Nepomuceno Garrido said his office will attempt to secure a possible settlement between Aeropostal Airline workers and the airline's Board of Directors. He said he does not have any detailed information about the airline's situation and only knows the company had economic problems and that the government could not continue to shoulder the burden. The labor minister said, nonetheless, that he will attempt to find a solution to the workers' problem.

[Begin Garrido recording] I am scheduled to meet Monday with a group of Aeropostal workers. I will hear what they have to say, what they want, and then I will start to work on a possible settlement. [end recording]

Meanwhile, Aeropostal Airline workers will continue to stage protests in an effort to press for an acceptable solution.

Transport and Communications Minister Ciro Zaa Alvarez has guaranteed that Aeropostal passengers, who were left stranded on domestic and international routes, will not have to suffer any major setbacks. Minister Zaa said agreements with other airlines are almost final.

[Begin Zaa recording] The agreements are nearly complete. As of now, I can say there will be no major setbacks for passengers, both on domestic and international routes. On domestic routes, Avensa, VIASA, Acerca, and Zuliana de Aviacion have said they are willing to cooperate with the ministry to find a solution. Also, on international routes, Viasa, America Airlines, and Aruba Airline have reached an agreement to help passengers who had booked tickets with Aeropostal. [end recording]

Regarding the possible creation of an airline transportation monopoly, Minister Zaa said his office is firmly determined to prevent a monopoly.

Congress Panel To Question Aeropostal President

PA0609141494 Caracas Union Radio Network in Spanish 0200 GMT 4 Sep 94

[Report by Cecilia Callone from the "Union Radio News" newscast]

[Text] The Social Affairs Commission of the Chamber of Deputies will summons Aeropostal Airline President Efrain Rosenfeld to explain what happened to the Aeropostal workers' social fund. Rosenfeld will be questioned this week. According to Deputy Victor Moreno, president of the Social Affairs Commission of the Chamber of Deputies, Rosenfeld also will be asked the real reason behind the closure of the airline.

[Begin Moreno recording] He will be asked the real reason why Aeropostal was shut down and about comments from the company's Board of Directors regarding the poor condition of the company's aircraft. I understand that if a hasty decision was made, it could not have been because of a sudden deterioration, but must have involved a progressive condition. We will request an in-depth investigation of the matter. [end recording]

The congressmen said this case could establish a dangerous precedent in other cases of privatization, which is why it is necessary to clear up all aspects, especially aspects regarding the workers' pay.

Aeropostal Workers Enter 3d Day of Protests

PA0609141794 Caracas Union Radio Network in Spanish 0200 GMT 4 Sep 94

[Report by Maria Lilibeth Dacorte from the "Union Radio News" newscast]

[Text] With the peaceful occupation of Maiquetia International Airport, Aeropostal Airline workers entered their third day of peaceful protests. After marching from the hangar area to the terminal at Maiquetia International Airport, the workers occupied the terminal to protest the closure of the airline. Mario Caires, president of the National Pilots Association, said the airline workers are not satisfied with being paid twice their severance pay.

[Begin Caires recording] We are not satisfied with that. The company has to be reopened, because the company serves and must continue to serve Venezuela. We are heading toward the airport installations, which is a public installation that we ourselves built, because all of Venezuela cooperated in its construction. We are physically entitled to enter the installations. We have staged totally peaceful demonstrations for three days and are on our way to the airport terminal. [end recording]

On Sunday, the Aeropostal workers will enter their fourth day of protests, which are scheduled to include street marches. On Monday and Tuesday, they will go to Caracas, where they will stage a peaceful demonstration at the doors of Congress and in front of the building that houses the Venezuelan Investment Fund.

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